

The
**CREDIT
WORLD**

the only publication serving the entire field of consumer credit

VOLUME 49

JULY 1961

NUMBER 10

in this issue

The Challenge of Change

Your Billion Dollar Market—16,000,000 Senior Citizens

Women on the Job

Business Responsibility to Education

State Legislation

Credit Department Communications

People and Events

The Credit Clinic

Consumer Credit Outlook

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2. He has served his bank, his community and his church capably and conscientiously for more than a quarter of a century.
3. He knows the credit field inside out and is a qualified home gardener.

BUT . . .

We feel a responsibility, as a national bank closely allied to credit organizations, to warn you that he is an accomplished, old-time TROUT FISHERMAN! Therefore, at least when this finny subject arises (and it will!) . . . deduct at least six inches from the length of any fish he claims he caught!

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The CREDIT WORLD

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Editorial . . .

"It is in times of tension at home and abroad that we become so occupied with regimentation that our individual rights are lost in the maze of international mumbo-jumbo.

Ben Smith, writing in *Salesweek*, stimulates our thinking as to the value of *free enterprise* and *individual initiative*,"—William H. Blake.

Free enterprise carries a price tag

By Ben Smith

General merchandising manager, Southwestern Bell Telephone Co.

VERY FEW THINGS are free about free enterprise. The opportunities of this great country are here for you, if you earn them and are willing to compete with others in the free exercise of trade.

Competition is a rough, tough battle. It is never easy, but competition can bring out the best in you. Success is always a long, hard road and the rougher the road, it seems, the more we learn, the more we go forward, the harder we work to succeed.

Free enterprise is the right of everyone to open a store, practice his profession—or even to raise and produce the fattest calf—and make it the best without asking anyone's permission.

Free enterprise is the right to try. Fear is what holds some men back—they fear to try unknown fields. Some even fear making a decision. Freedom to make decisions is what a dictator takes away from you when he comes to power.

Free enterprise is the right of choice and that right of choice is what has helped make this the great nation it is. The right to say "yes" to a salesman's reasons why a prospect should buy is a form of free enterprise.

If you want to go into the shoe business, don't ask the shoe man—he will tell you the field is too crowded. But they are selling more and more shoes each year. The successful man is not just taking orders, he is selling shoes.

Success. It's like a bird hunt. You can take a crowd with you, but somebody has to bring in the birds.

The youth of today has the great opportunity of tomorrow. Opportunity is knocking; but you must seek it out. You must find the door and then open it to opportunity.

I like a story Bob Thornton, Mayor of Dallas, Tex., tells: "A man wanted to borrow money from my bank to build a greenhouse—to grow cactus. Now we knew that cactus wasn't worth a nickel a bushel. But he began to sell it to Woolworth in Philadelphia and pretty soon he was writing his own checks." He saw opportunity—recognized it—did something about it. He opened the door when the knock of opportunity was heard.

Free enterprise is nurtured by the sweat and hard work of America's salesmen: men who, by their actions, cultivate free enterprise. As long as we have America's great force of salesmen, we shall have new ideas, new products. We shall have our free enterprise.

Ralph Waldo Emerson once said, "Another name for America is opportunity." Yes, and opportunity is made by salesmen. America's and our way of life has been made great by salesmen selling, among other things, free enterprise.

The Challenge of Change

ALFRED C. THOMPSON

Executive Vice President, Miller & Rhoads, Richmond, Virginia
President, National Retail Merchants Association

(An address at the 47th Annual International Consumer Credit Conference, Miami Beach, Florida, June 7, 1961.)



WE ARE LIVING in a changing America. Today's achievements, our current standard of living and present way of life would have been revolutionary only ten years ago. This decade has been labelled the "Soaring Sixties." Who knows what it may bring?

The months and the years ahead will certainly bring change. This holds especially true for the retail industry. We can certainly look forward to growing competition, especially between the now-matured shopping center and the downtown business areas. Yes, 1961 should be a year of progressive development. There should be a healthy increase in downtown redevelopment and further experimentation in shopping malls. The current expansion in branch stores and so called discount houses should continue. These are just a few of the many things that will keep us busy in the near future.

We, as merchants, must keep our thinking pointed always ahead. Retailing is basically a traditional business and many of us have been raised in a business atmosphere of traditional thinking, accepting retail practices that keep us in the path of repeating and repeating the methods and procedures of yesterday, without consciously recognizing that *conditions* have changed—that the *economy* has changed, and *resisting the fact* that, in many instances our customers' buying habits have changed. As merchants we are too prone not to recognize—or if we do, to *resist* the challenges of:

A. *Change In Family Income.* I am not going into statistics, but I am sure you are aware of the continuous upward trend of family income. Do we change our merchandising and promotional policies accordingly? Pause for a moment and note the increase in the number and assortment of delicacies in food supermarkets. Do you remember the days of the 5 and 10 cent stores, with their *limited lines*? Just how many independent retailers have added *fringe* or plus items to their bread and butter basic stocks? What about the *higher price lines*? Some have answered these questions with actions. What are others doing?

B. *Change in Age Group Emphasis.* You have all heard of America's population explosion. We are growing at the rate of one new American every eleven seconds and our population is now over 180,000,000. In 1911, (the year that the NRMA was founded) our total population was one-third that figure. The National Chamber of Commerce has indicated "By 1975, the U. S. population is expected to total about 221 million. The business community will be providing new products and new jobs, and the American standard of living will be steadily rising."

Not only have we grown, but we have what may be called a new "population mix." The trend has already begun toward a vast increase in young married couples and *teenagers*—the coming-of-age harvest of the post-war baby boom—a whole new market of people with positive desires. This increase will also show up in our sub-teen

groups. Advances in medical science, public health and geriatrics have given us a longer-lived population with a *younger* outlook. We have created a "middle ageless" population. Even now, when we retire, we do not retire our minds. They are kept young and active.

C. *Change In Customer Interests, Desires And Motivations*—I will briefly cover three easily recognizable areas:

1. Suburbia—the booming spread and growth of suburban living is well recorded. These suburbanites fill their living with what were luxuries yesterday. Now they are necessities. Once started for suburbia, the family unit discovers that it does not have to, or want to, keep up with the Joneses. More important is how soon the Joneses can be passed. First may come an extra portable television, then a game or family room, air conditioning, a modern kitchen and a whole host of gadgets. We have a large and growing "mass class" market—the status seekers—do we know who they are—the kind of promotions that motivate them? The "two car family" is now frequently a "two home family." In this latter class, we should direct our promotional motivation to instill customer desires, as well as needs, to furnish the seaside, lake, or river cabin or bungalow, or farm house, in keeping with the owner's standard of living at his primary home in Suburbia or city apartment.
2. Leisure Living—Americans now have more, longer and varied vacations than ever before. The pursuit of leisure has created the desire for travel equipment, specialized leisure clothing, sport and play goods, outdoor grills, boats, etc. This is a field we should trade and *promote on desires*, not needs.
3. Credit Buying—this has truly become a way of life in America. Has the retailing industry geared its pace to best take advantage of this promotional tool? Or do we try to justify in apologetic tones?

It has been said that ability to pay is more important than the size of the debt. If customer credit granting is practically and realistically maintained at the individual level, then the total amount of store credit should not be of too much concern—other than the financing—and leave this latter to the Treasurer. There was a time when the Credit Manager was more associated with the conservative banker than with the aggressive merchants.

The Credit Manager today who does not develop sales promotion plans for increasing the number of credit customers and increasing the purchases of existing customers is far behind the times. If he does not go out to fight for the customer, someone else will; and in the final analysis,

by taking a certain number of calculated risks, he will end up with more profit dollars, even though his losses percentage-wise might be larger.

Today's Credit Manager should plan the timing of his promotions along with the merchant. At the time the merchant is firing his biggest guns to attract the customer to his merchandise, the Credit Manager should be planning his campaign to make the buying of those products most convenient to the customer.

I believe strongly that the job of the Credit Manager is one which demands stature. I feel that he should be a person who belongs on the top management team and should have the support and backing of company or store heads.

Credit is the most important selling tool in the retail field. Do not let it get rusty. Today, credit is a way of life, a pay-as-you-go manner of living by which we are constantly striving to improve our standard of living—not waiting until we save up enough to get it.

The important thing for us in management, is that we understand its importance. Some merchandising executives, some general managers—and yes, some Credit Managers—still do not understand the use of credit as a strong promotional tool.

Dr. Nadler, who is quite an economist, said that America has become a broad middle-class nation, whether it is people coming up from below or whether it is taxes pushing people down from the top. The middle class loves to keep up with the Joneses. Once we understand that, there is a harvest for the retailer. A failure to recognize these changes and an inability to rise to the challenge of same, means a loss of competitive position and the difference between profit and loss.

Do we look upon these changes as *problems* in our business, or do we consider them as *opportunities* to improve our competitive position, to increase our markets, to obtain new customers? This is the challenge of change—golden opportunities for those with vision for the future, and not for those living in the *traditional past*. Too many of us spend too much time deploring changes and yearning for the “good old days of the past”—which probably were not as good as the present.

I personally prefer modern plumbing to the Saturday night bath in a galvanized tub “in the good old days” of my boyhood. The world of today is an exciting, rich place—undreamed of yesterday. It is the *present* that we must deal with to shape a *dynamic, profitable future*. Our country, the whole world, is undergoing fantastic, progressive shifts in shelter, transportation; and *most important of all*, consumption. Retailers cannot afford to let the society change and yet remain unaffected. Remember the day Henry Ford was asked what color he would like his current Model A painted? His answer, “Any color as long as it is black,” was typical of that day. Glance at the rainbow of autos that flow along the highways hourly to see how things have changed since the days of Henry and his Ford. We now have more, use more, and want more.

What gets in a merchant's way? We have hundreds of excuses, rationalizations, and alibis for why we do not act. There are always obstacles. Of course you all know that sitting back and wishing something away only worked for those fortunate people in the fairy tales of our childhood. There are many things that affect retailers—yet we can have just as much an effect on them by taking action. Do not sit and suffer from unfulfilled wishes.

Frequently top management has assumed the responsibility for resisting the challenge of changes in their respective fields or by completely ignoring it with a reason

that “Our store is different—our company is different—our customers are different.”

“Our store is different”—“Our business is different,”—the sacred cows of the sacred cow merchant herd that *prevents* many companies from making a *satisfactory net profit*.

Top management must take full responsibility for *either* feeding these sacred cows out of *potential net profits* or of sending them to the slaughter houses where many of them deserve to go.

There is only one reason why a store or a company can afford to be different—and that is if its sales and profit results are better than its competitor—the store that is *not* different.

In these challenging days of change, owners and top management executives *should* and *must* recognize the importance of people as individuals and how to train or harness individuals into team work.

Every person in our organization—whether he be large or small, is important, or should be.

1. Some are leaders
2. Some are creative
3. Some are expeditors
4. Some are dependable workers
5. Some should not be on the payroll

It is our job to understand these people and see that they have an opportunity to function at the top level of their ability. Every organization is better equipped to lick its merchandise and service problems if the group works together as a team. Our primary job is to create an atmosphere of good morals and understanding which will make teamwork possible.

We must meet the challenge of communication in our organizations—of letting people know when they do well, not only the person doing the job, but all those who have supported him and made it possible for him to do the job. We should work hard in getting across to our people what is *expected* of them, *what their job is*. Do not leave it to chance or occasional conversation. This is a big failure of management. We should attempt to establish and maintain a feeling of pride at all levels of organization, pride in the individual, in his job performance, in his associates. Pride in the sense of *being* wanted, or *belonging*, and *pride* in working for the best “boss” and the *best* store or company in his community.

Such pride eventually will make a person do a *better job tomorrow* than he *thinks* he can do today.

It can be done. *First*, get your own house in order. Then pick out your strongest competitors and go to work on them. Do this armed with the *pride of your people*. This pride in their own performance will not let them tolerate being *second best—to anyone*. I feel this sort of responsibility keenly in my own job, and sometimes I fire myself. In doing this, I reflect on some of the reasons for firing myself, and try to determine how to improve my job so that when I apply for this job I may be able to correct my mistakes. I also try to think how I can approach this job with a fresh, new outlook, trying to bring more to it than my predecessors have done. I think that this is a healthy attitude for all of us to take, as it can keep us from getting into a rut.

In conclusion, I would like to focus your attention on the NRMA'S 50th Anniversary Theme—“Retailing Serves America.” Our industry does this by vigorously providing the vast distribution of goods required by an abundant nation. *Side by side*, the retailer, wholesaler, and the manufacturer play a vital role in the *dynamic industry* called *distribution*. Let us make it greater by *changing with it*—not against it.

★ ★ ★

Your... \$—\$—\$
\$ Billion \$
\$ Dollar \$
\$ Market \$
\$—\$—\$—\$—\$—\$—\$

Our Over
16,000,000
Senior Citizen
Customers

EMIL E. BRILL

Senior Vice President,
General American Life Insurance Company
St. Louis, Missouri

Chairman,
Missouri Committee for 1961
White House Conference on Aging

I KNOW MY SUBJECT is a controversial one; that there are divergent views about Senior Citizens market-wise. But what isn't controversial today? Even love is controversial. If you don't believe that, seek out modern young people.

I know there is one group of

marketing men who view the Senior Citizens market as a "more of the same market," considering it unwise to single out oldsters for specially directed efforts, seeing no difference between its demands and the others of our population.

There is another group that

avoids age identification, feeling it wise to do so, but resorts to indirect or subtle means to interest Senior Citizens in products they sell that are of particular service to them.

There is a third group—an ever increasing one—that sees this as a

sizable and growing market offering great business potentialities with its constituents being of a different psychology and having indicated needs, calling for special direction and handling.

In Constitution Hall in Washington, D. C. there is a huge clock which ticks away with the passing of minutes. It ticks off each increase as it takes place in the number of those 65 and over in the United States. And do you know how many times it ticks each day—over 1,000. That is the increase which takes place in the number of your customers in the matured citizens market every 24 hours.

Presently, there are over 16,600,000 in this market—1 in 11 of our population. In 15 years—just the day after tomorrow—there will be 21,000,000. Beyond that demographers tell us it will continue to increase. Soon it will comprise one out of every 10 purchasers in the United States.

Rocking Chair Boom

You ask: "What accounts for this Aged population explosion—this rocking chair boom?" I will tell you. It is not brought about by President Kennedy's non-union rocker. It results from everything combining to add years to life,

- the dramatic advances in medical care and public health,
- the miracle drugs,
- improved nutrition and diets,
- shorter working hours,
- safer working conditions,
- more leisure time,
- greater recreational facilities,
- better housing,
- higher standards of living,
- the increased thought given to the problems of the Aged,
- and lastly, but importantly, the research work which has been and is being done, research work such as is being carried on by the Gerontological Research Foundation of St. Louis at the Chronic Hospital on Arsenal Street.

Together, these have not only added years to life but have added life to years with the result Retire-

ment has a new image. It is an action packed life.

What are the financial resources of this market? Don't be misled by what politicians and proponents of Social Welfare Legislation tell you when they say 50% to 60% of those over 65 have incomes of less than \$1,000 a year. If you took every married man in this room and assumed he had an average income of \$15,000 and his wife had no income, then 50% of the total group would have no income. That is correct, isn't it? What a deception! We married men know the group with no statistical income—our wives—would find ways to spend 90% of this group's free income.

Money Income

Today this market has an estimated money income of from 30 to 34 billion, perhaps more. I emphasize *money income*.

Additionally, the *non-money* income possessed by this group probably plays a much more important role in its well-being than it does in the case of younger adults.

Of all non-farm families with heads over 65 in 1959, 66% owned their own homes and of these 83% were mortgage free. I'll wager that this is a much higher percentage than would be revealed by a compilation of the home mortgages of those of us in this room.

A recent study showed that only 26% of our Aged had personal debts and in 3/5 of the cases, less than \$200.

Most are free from the expense of raising and educating children. On an average, a couple marries off their last child when the wife is but 46 years of age, with many, many years before them. Many no longer pay substantial insurance premiums nor make annuity or pension contributions. Food and clothing costs decrease with age. Preferential income tax treatment frees money others must pay Uncle Sam. Many have no work-related expenses such as transportation costs, meals away from home, Social Security taxes and Union dues.

Many receive various community services without charge or at reduced cost.

Of all Social Security beneficiaries surveyed in 1957, half of the married couples had assets exceeding liabilities of more than \$9,620 and ¼ had more than \$19,700. The corresponding amounts for aged widows were \$4,380 and \$13,320, respectively.

They Spend Money

So we can proceed on the basis many Senior Citizens are able to spend all or most of their money income and have an excess above living and housing costs.

And this group is at the low of its money income. From here out its spending potential will progressively increase for these reasons:

1. New retirees will receive increasingly larger Social Security Benefit payments.
2. More and more retirees will be enjoying benefits supplemental to Social Security Benefits from private pension plans. Now only 1½ million of our aged enjoy this additional income. Presently, nearly 22 million employees are covered by employer company pension programs with this number increasing at the rate of a million a year.
3. Profit-sharing plans are on the increase and many of these will place a substantial amount of money in the hands of the employees when they retire.
4. Veteran pension payments are also on the increase.
5. Retirees will retire with greater accumulated capital assets. I point out that the investments of individuals in savings accounts, that is, savings and loan associations, commercial and mutual savings banks, postal savings and credit unions, and in United States bonds and life insurance reserves have increased from \$176,360,000,000 in 1950 to \$313,532,000,000 in 1960; that it is but reasonable to assume that a goodly portion of this will pass into the retirement years.
6. More and more people are buying common stocks and mutual

funds. And these investments will stand many in good stead when they retire.

7. Additional funds for older people to spend will be released should a program be adopted at the Federal level or with matching State and Federal financing for the providing of medical care for our aged since this is one of the larger expenditures of this group.

Large Spending Fund

While we could advance other reasons for our matured citizens coming into enjoyment of larger spending funds in the years ahead, these suffice to prove the point.

Now having identified this market by its numbers and spending capabilities, let's consider some of its other characteristics, reminding you industries cease growing when they fail to meet the needs of their customers.

- It is an identifiable and reachable market.

- It is a leisure time market, its members having spendable time on their hands.

- It is in a large measure a do-it-yourself and hobby slanted market.

- It is a health and safety conscious market.

- It is a market with many, especially the ladies, wanting to keep up their good appearance as long as possible.

- It is a market which seeks comfort, ease of use recognition and the expenditure of the least physical exertion possible.

- It is a cost conscious market—a shopping one because it has time to shop and makes its dollars count.

- It is to a degree a mobile market—seeking warm climate in the winter and cool climate in summer and finds traveling a time-consuming and pleasurable experience.

- It is potentially a potent political market and to avoid governmental interference requires an alertness to its needs and the giving of full values.

- And, lastly, it is a market with virtually constant income, little affected by economic conditions.

I will tell of companies sensing these characteristics which are directing their efforts to this market and endeavoring to capitalize upon it.

One is the Greyhound Corporation. It feels Senior Citizens fall into its primary market target with the listing "best prospects." It researched this market and found Senior Citizens were attracted to its facilities because of economy, safety, scenery and comfort of travel.

Greyhound serves a large clientele in the escorted tour field. During 1959 of those so served, 20.4% were 65 years of age and over. On a recent bus trip from Chicago to California there were three passengers over age 80. Actually, there were only two in the bus under 60.

Television Commercials

Greyhound directs many of its advertisements, radio and television commercials to this market. Here is one showing an empty rocker with a knitting basket, unfilled slippers and Greyhound literature captioned "Grandma's off her rocker." And she's not in an institution—she's on a Greyhound bus.

Here's another showing Grandpa asleep in a Greyhound bus with his grandson next to him and another showing them together on a bus playing chess.

Greyhound finds catering to this market good business. And stock brokers find it good business to recommend the common stock of this alert company for purchase.

The new Simmons Dual-Hite bed with its protective side bars was developed primarily for the care of elderly persons. Elderly persons also find Simmons high backed chairs most comfortable. The shortened seating depth makes it easy for them to get in and out and its high back supports the head and shoulders. Its helper bar attached to the head end of the bed which can be swung over at a 45 degree angle and locked allows for an Aged person to lift himself up and out of bed easily. All of these

products of Simmons Company adapt themselves productively for Nursing Home and hospital use and for the care of the Aged in their homes.

No company has more convincingly proven that when you manufacture a product of service to the Aged there is a broad and ready market for it than National Sales Company, Saginaw, Michigan has with its National Bathlift. This is a mechanism designed to put persons in and out of bathtubs without involved effort and danger from slipping. Here in St. Louis, just to mention some in use, the Masonic Home for the Aged uses 10 of these lifts, the Little Sisters of the Poor Home for the Aged, 7, and St. Anne's Home for the Aged, 6. This company says $\frac{1}{2}$ of these Bathlifts are sold for the use of the aging individual; that homes for the Aged surpass all other institutions in their purchase.

In answer to the many requests it received from older hunters who wanted a light-weight product, Winchester Western Division of Olin Mathieson Chemical Corporation now has a new light-weight 12 gauge shotgun weighing just a trifle more than two boxes of shot shells with a 20% less recoil effect than conventional models. Maybe some of us poor shots should try this gun.

Good Vision

Bulova Watch Company, which developed a Braille watch for use by the blind, is again on its toes, recognizing that many oldsters do not have very good vision, has watches designed especially for older people with dials which have clear, easy to read full numerical designs or with numerals and hands of a larger than ordinary character. R. Harvey Whidden, Bulova's Executive Vice President, says it wouldn't be getting about 5% of its total sales except for a deliberate attempt to cater to older people.

The Inclinator Company of America begins its advertisement, "Is there a dear old grandmother

in your home who can't climb stairs?" and then goes on to say, "a home lift is the answer."

The Exercycle people in their advertisements include pictures of grandpa and grandma using their electric Exercycle to keep fit, trim, active and youthful.

Accompany an oldster to an Admiral Corporation showroom and what do you find its salesmen featuring in Admiral Television and Air Conditioners? Its new wireless remote control. He tells how it saves steps, how it can be operated from the comfort of an easy chair or the bed, and how it allows for one doing something without calling for help. He knows what the Senior citizen is seeking—ease of operation, comfort, good health, enjoyment.

The Hammond Organ Company sees a ready market among Senior Citizens for its Hammond Organ for it features them playing organ in its company magazine and some of its ads. Here is one showing an 83 year old playing an organ.

The Outboard Marine Corporation knows it rings cash registers to mix grey hair with pleasurable boating. It uses considerable photography in which older people are pictured taking advantage of their retirement years to enjoy the quietness of boats propelled by Evinrude and Johnson motors.

The Shakespeare Company's Push Button reels and rods find many users in the Senior market for they require less skill to manipulate, adding to the pleasure of the use of retirement hours in fishing.

Advertising on Appearances

Clairol capitalizes on the older woman's desire to keep up good appearances with its "Come Alive Grey" hair rinse by making grey hair attractive. It says, "If your hair is grey . . . and you want to be *beautifully* grey, this is for you. It makes the duller hair look vibrant."

With the sword of Damocles hanging over its head—the threat of Federal legislation covering the financing of Medical Care for our

Aged—the insurance industry considers it both good business and good politics to cater to this market. Today over fifty per cent of those 65 years of age and over carry Health Insurance. My Company makes its level premium, guaranteed renewable for life Hospital-Surgical-Medical Expense insurance policy available to applicants up to age 75. Some companies even have an entrance age beyond 75 as 80 and 85 and others have no age limitation.

Parke, Davis and Company has Geriplex Kapseals in the vitamin field specifically designed for the Aged, which are dispensed over the counter by retail pharmacists as well as upon prescriptions by physicians. While ethical methods do not allow for advertising this to the public by means of various media, it does use advertisements featuring Senior Citizens. Here is one directed to oldsters and picturing two of them captioned, "This is what we work for at Parke Davis . . . the better health and longer life that come with better medicines."

Housing Market

The building industry is waking up to the possibilities of the retirement housing market, recognizing every year in the sixties, the number of households headed by older people will go up more than 400,000, that in the next few years, these older families will account for about half the increase in all households. Walter C. Nelson, Mortgage Banker, recently said, "We are just beginning to realize that the needs of the elderly constitute as big a housing problem as the one faced by veterans after the war."

William C. Loring, Sociologist of the General Planning and Research Department of the Prudential Insurance Company, stated, "During the sixties and beyond, the housing market for citizens in their sixties and beyond will be big. Many architects, developers, and rental managers will switch from their present concentration upon housing

for young growing families to the several types of quarters suited to the elderly."

Today's retirement market for housing is made up of people who want simplified living—a smaller house with a smaller lot—more built-in conveniences—easier maintenance. Make a mental note—there will be a good market in the Sixties for manufacturers producing products for the home meeting these requirements.

Freedom House

The Douglas Fir Plywood Association recognizing this in collaboration with the American Association of Retired Persons has built Freedom House in Washington, D.C.—a display prototype retirement house—880 square feet plus garage and hobby room designed to sell for \$8,000 to \$10,000 plus land. I had the privilege of visiting this house during my last trip to Washington.

This house has among other items of convenience and safety

- Non-skid floors through-out.

- All doors and hallways at least 3 feet wide to allow for wheelchair travel.

- Dressing seat next to bathtub.

- Strategically located heavy grab bars in bathroom for safety.

- Lower cabinets in kitchen raised off floor, upper cabinets within easy arm's reach.

- Low sink permitting sit-down dishwashing.

- Pull-down lighting fixtures making bulb replacement easy.

- Perimeter heat for warm floors.

- Hobby-workshop area in garage.

In creating the most modern and first retirement city of its kind in America, Sun City, Arizona, 20 miles from Phoenix—a city with the special purpose of taking grandpa out of his rocking chair and putting him on the golf course, the Del E. Webb Corporation has presented an idea to Senior Citizens that has tremendous appeal, it being the fastest growing town in Arizona.

This city, and it is truly a complete city, offers everything its residents want, stresses relaxation and wholesome activity, ignores work and drudgery and offers the gamut of recreational activities, golf courses, swimming pool, an arts and crafts center, shuffleboard, etc.

Since the first home built was occupied a year ago, 1472 single units and 252 cooperative apartments were finished and occupied. With only those 50 or older who have no children of school age eligible to purchase these, the average age of residents is 62.1 years. The price range of the homes is from \$9,150 to \$14,550 and of apartments from \$8,500 to \$15,000. These apartments are two story buildings serviced by elevators.

Average Net Worth

Interesting is the fact that of the homes and apartments thus far sold, 60% of the purchasers paid all cash; that of the applications of those who applied for FHA loans showed their average net worth to be \$55,000, to have an average annual income of \$7,800 and to have on an average \$7,000 in the bank.

Interesting also is the fact that the average income at Port Charlotte, Florida, another retirement city, one of about 6,000 persons, is \$4,200 a year.

Publishing houses by producing shelves of books written for the Aged and for their retirement period, producers of magazines as *Harvest Years*, *Fifty-Plus*, *Retirement Planning News*, *Mature Years*, *Retirement Life*, *Senior Citizen*, etc., and film producers having films like "A Place to Live," "Home Care," "Life With Grandpa," "Retire to Live," "The Best is Yet to Be," are capitalizing on this market.

Burlington Industries, Inc., feels it has two specific items which are "particularly desirable products for older people," its ladies' support hose, a sheer stocking offering a mild support for varicose veins, swollen lymph glands, etc., and as comfortable and attractive as a nor-

mal kind of stocking ladies wear, and its similar product for men—its Activ-8 socks.

Behind Polaroid's purchase of time on the Lawrence Welk show was the feeling that this program reaches an older audience, one attracted to the suggestion of taking pictures of their grandchildren.

General Foods has "Grumpy Grandpa" drinking Postum and tells about it in its advertisements. This company also makes available for our older population sugar-free D-ZERTA gelatin desserts and puddings and its many instant and minute products which have special convenience for elderly persons.

Wilson and Company has developed a number of products with Senior Citizens in mind. In the food products field, it has its lean-trimmed Slice "N" Serve Ham, its lean-trimmed canned ham, and its new beef flavored gelatin. Its sporting goods company produces golf clubs with a more flexible shaft for use of senior citizens. These clubs compensate for the decline in muscle power and lessened wrist flexibility. Its United Chemical and Organic Products division produces an edible bone phosphate for use by older people with a calcium deficiency and a gelatin product to furnish a high protein food supplement to meet the protein needs of older people.

Train Travel Prospects

C. H. Mertens, General Advertising Manager, Union Pacific Railroad Company, states, "Union Pacific for some time has recognized the fact that the persons of mature age and over are prime prospects for train travel and our advertising has been directed towards this group by emphasizing the comforts and convenience to be found on our trains." Like the Greyhound, Union Pacific finds quite a number of elderly women and couples take advantage of its all expense escorted tours from Chicago weekly to western vacation areas.

The First National City Bank of New York takes note of Aged trav-

eling. Its ad, "Smile, Grandpa" calls Grandpa's attention to its three convenient branches in Mexico City, how his security portfolio can remain under its experienced, watchful eye while he is away, and of its trust service for the ultimate benefit of his grandson.

In its advertisements last year, American Airlines threw out the thought "A man's got a right to see his grandson in person!" and then featured its low rates, a clean comfortable way to travel, speed and dependability.

Airlines Extra Care

United Airlines calls oldster's attention to its providing "extra care" service by providing wheel chairs at larger airports, jetways at major terminals for boarding, eliminating the climbing of stairs, dietary meals on request, etc.

The Sales Service Division of Eastman Kodak Company is set up to handle a considerable number of letters from older people who write asking for advice about various picture taking problems. They have found older folks get much pleasure from photography and having leisure time enjoy using their cameras to record their travels, gardens, hobbies and activities.

The Winthrop Laboratories is engaged in research endeavoring to develop a number of products which will greatly benefit our Aged, one of these being in the direction of controlling overproduction of cholesterol or its deposit in the arteries and another to control and what they hope will prevent spasm of coronary arteries and spasms of peripheral arteries particularly those in the legs.

I would ask a searching question of each of you—will you as market men acting for your respective companies consider the Senior Citizens market as "a more of the same" market or will you see in it a market challenging your best thought and efforts—a market calling for thoughtful study and depth research—a market offering an ever increasing number of customers?

Women on the Job

(From Management Record, National Industrial Conference Board)

WOMANPOWER, it has been suggested, is the largest untapped source of manpower in the United States today. And if the emerging requirements for highly educated people who can fill supervisory positions are to be met, many believe that business must tap this source more effectively than it has in the past. This, in turn, may mean that a company's personnel practices that relate to its female employees need very careful scrutinizing. For instance, are women being discriminated against as far as pay is concerned? Can an eminently qualified woman be promoted to a supervisory position? What, indeed is the current status of female workers on the job?

To answer these questions, the National Office Management Association conducted a survey covering more than 1,900 companies in the United States and Canada. Sixteen questions relating to women on the job were asked. These questions and the answers that the association received are reproduced below.

1. For jobs which can be performed equally well by either men or women workers, do you prefer

Male office workers?	32%
Female office workers?	33%
No preference	35%
2. When a higher position becomes vacant, is it a practice in your office to give preference to the male office worker over the female employee although both have equal qualifications?

Yes	52%
No	44%
No answer	4%
3. Do you have a double standard pay scale for male and female office workers?

Yes	33%
No	66%
No answer	1%
4. Do you expect a higher level of job performance by male office employees?

Yes	57%
No	41%
No answer	2%
5. When a female office employee displays poor judgment in handling her job or making an important decision, do you

Tend to be more critical?	1%
Tend to be more lenient?	28%
Treat female employee same as male employee?	68%
No answer	3%
6. Do you have any qualms about placing a woman supervisor over a department which employs male workers?

Yes	65%
No	31%
No answer	4%
7. Who has the better chance for success in supervising an all-female department?

Male supervisor	68%
Female supervisor	11%
No opinion	21%
8. If your office is automated or uses electronic equipment, do you prefer to hire in your data processing department

Male employees?	14%
Female employees?	11%
No preferences	25%
No opinion	50%
9. In your opinion, will the use of the new electronic equipment tend to woo back to the office more male workers?

Yes	35%
No	25%
No opinion	20%
No answer	19%
10. Is the rate of absenteeism higher for female office workers?

Yes	80%
No	18%
No answer	2%
11. From your experience, do you find that there are more problem workers among women employees (such as prima donna, gossip, etc)?

Yes	75%
No	24%
No opinion	1%
12. Do you find that female workers tend to be more neurotic than male employees?

Yes	52%
No	21%
No opinion	27%
13. Do you grant more special privileges (such as time off, etc.) to female employees than to male employees?

Yes	26%
No	74%
14. Do you have any jobs in the office where sex appeal is a qualification and given serious consideration in hiring?

Yes	28%
No	72%
15. Do you hire women over thirty-five years of age for office positions?

Yes	64%
No	8%
Occasionally	28%
16. Do you conduct a refresher course or special training program for women thirty-five years of age or more who have previously worked in an office and are now being employed by your company?

Yes	18%
No	82%

Business Responsibility to Education

(From *Public Relations Journal*)

DONALD D. HOOVER
President, Bozell & Jacobs
New York, New York

WITH THE ACCENT today on scientific education, industry has its finest opportunity to provide inspiration and encouragement to teenagers who are more interested in atoms than athletics and microbes over muscles. The public relations benefits which accrue as a result of this identification with the national interest are significant in achieving the long range objectives of industry public relations.

Heretofore, the major role business has played in the education of America's youth has been largely a philanthropic one. Scholarships, fellowships, grants to universities for construction, equipment or basic research, and some unrestricted grants, have accounted for the bulk of the money spent by industry. Only in the last decade has industry sought to broaden the base of its educational efforts and utilize its vast potential.

The reasons for this are many, but perhaps the most important historically, has been industry's fear of being accused of meddling in education and using the schools for propaganda. This belief has its adherents even today and consequently, it places a heavy burden on the public relations counselors who are responsible for creating a favorable industry image.

It is apparent, however, that the critics of blending business with education are becoming fewer and much less vocal. This is due primarily to the splendid record compiled by industry and its unselfish public and community minded approach in the past which has

earned it many public relations benefits, including the respect of nearly all impartial observers.

Therefore, it is not unreasonable that business should continue to aid education and that it should find new ways to be of value to make use of its manpower, know-how and wide range of contacts.

One of the most valuable and successful methods is when the potential of the industry is utilized and where its personnel is efficiently employed and its resources carefully used. An example of this is the National Youth Conference the Atom sponsored by 64 investor owned electric utilities, which was held in Chicago.

Gifted Science Students

The conference brought together 300 of the nation's most gifted young science students, accompanied by 200 science teachers, for a three-day study of the peaceful uses of the atom. The students and teachers came from 38 states for a first hand glimpse of man's most destructive force being used for the benefit of mankind in biology, medicine, electricity and travel. They met and spoke to luminaries in the scientific world and were treated to a high-level examination consonant with their interest and background.

The conference was created by Bozell & Jacobs, Inc., for its client, the electric utility industry, in order to foster a better industry image by illustrating:

1. The electric industry's concern for the future of this country in the atomic field.
2. The industry's desire to inform the public of the atom's peaceful role in the midst of the Cold War.
3. The industry's important stake in the development of the atom for peaceful purposes.
4. The desire of the industry to attract the gifted scientist of tomorrow to one of America's most basic industries.

From its inception the conference required the most detailed planning and care. The cooperation of other organizations was invited and the National Science Teachers Association and the Future Scientists of America Foundation acted as co-sponsors. An educational advisory board was formed composed of leading secondary school educators to aid in the formation of a program designed to make the conference a truly educational experience that would provide inspiration and encouragement for the students attending.

The manner of choosing the delegates was left to the local investor-owned electric utility and here, the companies worked closely with the school authorities to choose the ablest group. For the most part, the youths were chosen through science fairs, by special aptitude examinations or by recommendation of the local educators. Once the students were selected, many of the companies invited the delegates to their plants to acquaint them with the process of generating and transmitting electricity produced either by conventional means or through atomic energy.

Speakers, field trips and leaders

for the discussion groups were then arranged. Some of America's foremost scientists were invited to participate and they responded to the opportunity to address part of the next generation of American scientists. Members of the Atomic Energy Commission also were invited to take part and they too accepted.

Arrangements were made to have 60 scientists from The University of Chicago, Argonne National Laboratory and Illinois Institute of Technology, lead discussion groups composed of 10 to 15 delegates. This proved to be one of the most successful parts of the conference since it afforded the teen-agers an opportunity to discuss their science projects with "working scientists," rather than the teacher. This also proved worthwhile for the teacher interested in broadening the base of his scientific education and current knowledge.

The last day of the conference, the group visited Argonne National Laboratory and Dresden Nuclear Power Station, a full-scale, privately financed atomic power plant. This was one of the high points of the conference and climaxed three days of intensive scientific education.

Field Trips

Industry people took part in all phases of the conference, addresses, discussion sessions and field trips—and from its origination to its conclusion—bringing to it the best talent available from its own ranks and from outside of it. By investing its time and personnel, the electric utility industry provided a rich and lasting experience for the students and teachers. Exactly how successful it was will be measured in the years ahead as the teen-agers at the conference move into business and industry.

For the present we can only judge by the large number of letters the electric companies have received from the student delegates, their parents, the teachers and advisory board members. All

were unanimous in their praise.

From this experience we have learned many important things about the type of youths in America today who may well be responsible to quite an extent for the scientific advancements of the next few decades. But perhaps the most important thing we have learned is that the youngsters are hungry for scientific education not now available in their schools. This places a responsibility upon industry in its role as a public-spirited, good neighbor, to meet the challenge.

The challenge also gives industry an excellent opportunity to realize many public relations goals which often have been elusive. It provided an opportunity to reach the young and establish its image early in life while at the same time, providing an important service.

Scientific Education

Forward-looking companies are already gaining support from the local populace by implementing programs to fill the gap in scientific education and identify themselves with the local and national interest. They are proving that it is possible for business to improve its relations at the grass roots by being less timid and more willing to take part in the educational aspects of American life.

Already numerous ways in addition to a scientific conference are being used by industry to help our schools and teachers. Fundamental in all of them, however, is that propaganda—and I'm using it in the worst sense of the word—should not be employed in any manner whatsoever. Only a program, free from self-interest, created for the public good will achieve the desired results and maintain the integrity of the industry.

An ideal scientific educational program based on the desire of an industry to participate with its brains, manpower and facilities would include the following:

1. A laboratory open on Saturdays where the young scientists

could come to experiment. It should be supervised by these company scientists who would volunteer aid to the teen-agers in their projects and guide them in their learning. In a survey taken at the National Youth Conference on the Atom, we found that 40 per cent of the students didn't have sufficient room to experiment. We asked the group how much time they would spend in a central laboratory open during the week or on Saturdays and the answers were eye-opening. Despite the fact they do an average of 20 hours of homework per week, more than 50 per cent said they would spend 5 hours a week and 35 per cent said they'd spend between 5 and 15 hours a week in a community laboratory.

2. Plant tours oriented towards the young scientist. These should also be accompanied by a volunteering scientist whom they can question and gain information not always available from a guide. At the conference, we found the most exhilarating phase of it for the youths was being able to talk with the scientists. This was mentioned in nearly every questionnaire as a true source of inspiration for them.
3. Providing printed material to the school science classes and science clubs. These youths are hungry for scientific literature that is more advanced than is usually recognized. The fact that science clubs have sprung up all over America attests to this new awakened interest in the subject.
4. Sponsor a club or a project. It is not unknown for companies to sponsor little leagues, marble tournament teams, baking contests, etc.; why not a science club? But—and here's the rub—it's not enough to just provide the money. Time and effort are

(Turn to "Responsibility," page 25.)

ENROLLMENT IS UNDER WAY!!

- THE NEW OFFICIAL DISABILITY INSURANCE PROGRAM OF THE NATIONAL RETAIL CREDIT ASSOCIATION IS NOW IN EFFECT!

The Response to the General Mailing Has
Been Excellent and Many Applications Have
Already Been Received.

HAVE YOU SENT IN YOUR APPLICATION?

REMEMBER

**IT PAYS LONGER!
IT COSTS LESS!**

IT IS THE ONLY DISABILITY INSURANCE PROGRAM
OFFICIALLY ENDORSED BY YOUR ASSOCIATION

UNDERWRITTEN BY



YOUR GOOD NEIGHBOR

MUTUAL BENEFIT HEALTH & ACCIDENT ASSOCIATION
Home Office — Omaha, Nebraska

The Greatest Name in Health Insurance

47th International Consumer Credit Conference a Huge Success

APPROXIMATELY 1,000 delegates and guests attended the recent five day 47th International Consumer Credit Conference at the Americana Hotel, Bal Harbour, Florida, to learn about the latest in management methods, credit sales techniques, bankruptcy procedures, legislative activities and other credit topics pertinent to the operation of a successful business.

Among the country's leading business executives appearing on the program were The Honorable Robert Keith Grey, former Secretary to the Eisenhower Cabinet; Alfred C. Thompson, president, National Retail Merchants Association; Armand J. Gariepy, director, Sales Training International; Ray O. Mertes, director of education, United Air Lines; Carl F. Hawver, director public relations, National Consumer Finance Association; and Dr. Charles E. Irvin, consultant, General Motors Corporation.

The annual breakfast of the Credit Women's Breakfast Clubs of North America on Monday established a fast pace for the entire Conference. Martha Bean Gleason, newly elected President, speaking to more than 500 delegates, stressed the importance of the Breakfast Clubs and the necessity for growth. The induction of officers, followed by a unique slide presentation, culminated with the presentation of several \$50 bills personally signed by the Treasurer of the United States to lucky ticket holders.

Early bird "Idea Sessions" featured topics of interest to all consumer credit executives. These informal sessions were led by such distinguished industry leaders as Dean Ashby, Gordon Fletcher, Mary Ada Hayes, Edward M. Gallagher, Philip P. Wilson, W. H. Wittwer, Joseph M. Garber, Jack P. Lee, Melvin T. Warrick, E. G. Harlan, and John F. Clagett.

Fifteen group discussion sessions were held. Delegates met in all day sessions to exchange credit sales thinking and to analyze problems affecting their operations. Representative groups were: Consumer and Sales Finance Companies; Credit Jewelry and Luggage; Credit Unions; Department and Apparel Stores; Drug Stores; Furniture, Music and Appliance Stores; Hardware, Building Materials and Construction Credit; Health Professions; Home Service Industry; Instalment Bank Credit; Mortuary and Cemetery Credit; National Credit Card Issuers; Newspaper and Publishers, and Public Utilities.

Conducting these professional sessions were: Dr. M. R. Neifeld; Joseph J. J. Jenkins; Lily R. Norton; Hugh M. Martin; Jama C. Bales; Earl E. Paddon; Ernest Ferri; Stephen F. O'Connor; Frank D. Kollmer; Cyril J. Jedlicka; H. L. Miller; Frank J. Phillips, and Maurice D. Stram. Each chairman was assisted by a staff of capable credit executives who not only assisted in the planning but participated in making the sessions a success.

The "Get Acquainted Party" presented an evening of fun, entertainment by the Americana Hotel Acquatics, and dancing to the music of Ginger Johnson and Her Orchestra.

"Tropical Night," sponsored by the Miami Association, offered additional dancing and entertainment. By special arrangements with the Government of Haiti, a special plane was provided to fly the "Haitian Voodoo Dancers" to the Americana to entertain ICCC delegates. Haitian hats were donated by the Haitian Consul for all registrants.

Wives of delegates and friends were entertained while their husbands attended sessions. Starting with an Art

Gallery Tour, the tempo picked up with such events as "Learn to Dance," a bus trip to Miami's Jordan-Marsh; "Fun With Mosaic Art," a boat trip to Miami's Millionaire Row, a "Cosmetology Make-Up Party," by Revlon, Inc., and various night club tours.

The concluding event was the ICCC Annual Banquet which featured a dinner especially created by the Americana's Banquet Manager Louis Ronco. A silver coffee and tea set, donated by Henry Alexander and Ray Cline, was given to the lucky delegate from Texas, Owen M. Jones, Washer Bros., Fort Worth. Three top acts and dancing concluded the evening.

Educational exhibits added to the value of the Conference for the delegates. Firms participating were Dashew Business Machines; Diebold, Inc.; Farrington Electronic; Florida Citrus Commission; John Hancock Mutual Life Insurance Company; Mutual of Omaha; Recordac Corporation; Remington Rand Systems, and Southern Bell Telephone and Telegraph Company.

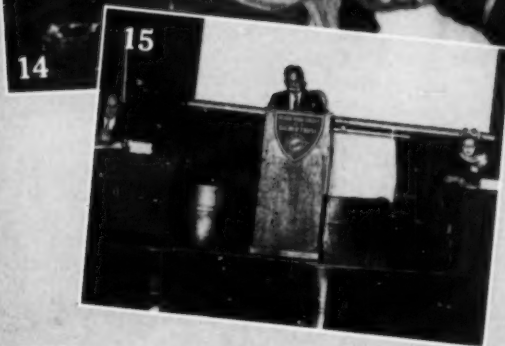
Future issues of The CREDIT WORLD will carry the major addresses presented at the Conference. In addition, summaries of the various group discussion sessions will be printed for those readers who were unable to attend.

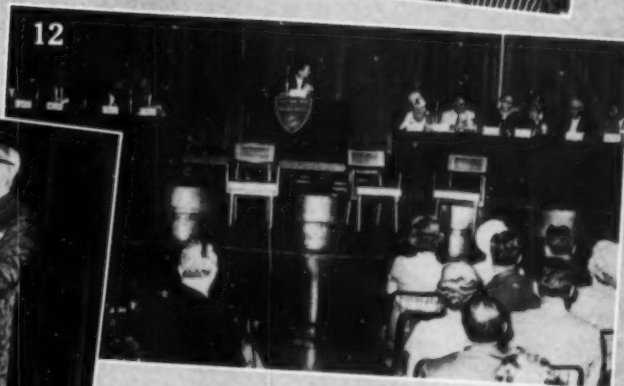
The 48th International Consumer Credit Conference, which is sponsored annually by the 52,000 credit sales managers and credit bureau managers who are members of the National Retail Credit Association and by the 14,000 members of the Credit Women's Breakfast Clubs of North America, will be held in Spokane, Washington, June 21-26, 1962 at the Hotel Davenport. NRCA will be celebrating its "golden" anniversary while CWBCoNA will celebrate its "silver" anniversary. NRCA was founded in Spokane in 1912.

The photos on the following two pages include:

1. Philip P. Wilson, John Hancock Mutual Life Insurance Company speaking before the Health Professions Group.
2. This is part of the large and interested group attending the National Credit Card Issuers discussion and problem-solving session.
3. Doctor M. R. Neifeld, Beneficial Management Corporation, Morristown, New Jersey shown addressing the Consumer and Sales Finance Companies meeting.
4. Here we see Kenneth R. Hardesty, Palace Furniture Company, Clarksburg, West Virginia, describing his office system to the Furniture, Music and Appliance Stores group.
5. Robert Keith Gray (former Secretary of Eisenhower cabinet) is shown making the keynote address at the opening General Session. Mr. Gray spoke on "What Business Can Expect from the New Frontier" to a capacity audience.
6. Here we see an animated discussion led by Joseph J. Jenkins, Duval Jewelry Company, Jacksonville, Florida, Chairman of the Credit Jewelry and Luggage Group.
7. Another problem-solving discussion group, the Public Utilities, under the guidance of Maurice D. Stram, Minneapolis Gas Company, Minneapolis, Minnesota.
8. The head table at the Annual Breakfast of the Credit Women's Breakfast Clubs of North America with President Inez McGaughy, Pickett's, Chattanooga, Tennessee, addressing the large audience.
9. Here we see Earle A. Nirmaier, President, National Retail Credit Association, bringing a special message to the Hardware, Building Materials and Construction Group.
10. Another picture of NRCA President Earle A. Nirmaier, this time officially declaring the 47th International Consumer Credit Conference duly opened.

(Turn to "Conference Pictures", page 24.)





STATE LEGISLATION

North Carolina: A bill to ban Sunday sales was introduced by I. C. Crawford. The bill is designed to protect merchants from "discount houses and off-hours operators." The bill would prohibit sales of clothing, tools, houseware, luggage, etc.

New York: The State Department of Insurance, as a result of a ruling by the State Court of Appeals, issued a revised schedule of permissible premium rates on credit insurance which will reduce the cost of such insurance for many persons who obtain loans to buy automobiles, home appliances, and other consumer goods and for personal loan and mortgage borrowers. Under the "fair standards" schedule, the buyer of a \$3,000 car financed over a three-year period through a company doing a large volume of such business would pay not more than \$36.30 for credit life insurance. If the finance company requires that a borrower also carry accident and health credit insurance, that would cost about \$30.00 more.

California: Governor Brown signed into law a bill to curb operations of automobile warranty companies. The bill, AB 1133, closes loopholes in the state insurance laws to make sure that the state insurance commissioner will have future control over operations in the field.

Illinois: Bills designed to prevent abuses in credit buying were approved by the Senate and carried bipartisan backing. Three of the measures in the package were sent to the House where passage was regarded as certain. Four others were sent to the Governor for signature. Bills advanced to the House carried the endorsement of the Illinois Retail Merchants Association and the Illinois Bar Association. The package included the following: Remove a confession of judgment as a basis for wage garnishment; 85 per cent of a worker's wages would be exempted from garnishment with a minimum of \$45 and a maximum of \$200 exempted; a buyer must be 40 days in default on his payments before the creditor can attach his wages and the debtors would have to be notified of wage assignments and could prevent the employer from paying out their wages by signing an affidavit that they will contest the assignment; and when a seller repossesses an article bought on time, he must reduce the outstanding debt by the amount of any fee charged for the period of the contract after the repossession. Repossessed goods must be sold at public auction and the selling price credited to the time buyer's debt.

Michigan: Governor Swainson vetoed a bill which would have made major changes in the state's small loan laws including an increase in the small loan ceiling from \$500 to \$1500.

New Hampshire: The House passed and sent to the Senate a bill increasing the ceiling on small loans from \$300 to \$1,000 and provided for strict regulation of interest rates.

Texas: A proposed small loan regulatory piece of legislation failed of enactment during the recently adjourned 1961 regular session. A special session to consider state tax and financial issues has been called by Governor

Daniel for July 10, 1961. If the special session progresses satisfactorily, the Governor indicated that the small loan issue could be added to the session's call later on. Just prior to adjournment, the House adopted a resolution calling for prosecution of all finance companies charging in excess of 10 per cent interest on loans.

Wisconsin: The Wisconsin Senate rejected a bill that would have permitted trading stamps to be redeemed for merchandise as well as cash. Present law permits cash only.

California: Governor Brown signed into law a bill to require service station operators to display on their fuel pumps the number of stamps they give with each 10 cents worth of gasoline.

Alabama: A substitute bill intended to remove what had been termed objectionable features of an original instalment loan bill backed by the Alabama Bankers Association was strongly supported at a hearing conducted by the Alabama Senate's banking and judiciary committees, but action was postponed in order to give interested groups further time to check its legal aspects. The measure would permit an interest rate of 8 per cent flat on instalment loans. The principal difference between the measure and the original bill was the elimination of a discount provision, under which interest is deducted in advance. The substitute bill permits the interest to be added to the amount of the loan to be repaid.

Connecticut: Bills enacted by the legislature include measures to: Authorize saving banks to increase from 1 to 2 per cent of assets their volume of personal loans; increase from 3 to 5 years the maturity length of credit union loans; increase from \$500 to \$750 maximum unsecured limit of credit unions; and increase from 2 to 4 per cent of assets home improvement loans by saving banks.

Hawaii: The state's first law governing instalment transactions was given final passage by the legislature and sent to the Governor for signature. The seller must give the buyer written notice when he assigns a contract to a finance company and the buyer has 15 days in which to report any misrepresentations. A buyer must be given a copy of the contract and it must contain no blank spaces to be filled in after the buyer makes his purchase. The bill also defines the rights of buyer and seller to protect legitimate firms.

North Carolina: A bill to regulate retail instalment selling and financing was introduced in the North Carolina legislature by Representative Hines. Under the measure firms engaging in such practices would be licensed and regulated by the State Commissioner of Banks. The proposed legislation would require firms to pay an annual license fee of \$125 and an investigation fee of \$50 to the State Banking Department. The commissioner could deny license applications, conduct investigations, or revoke licenses. It also sets forth details to be included in each contract and provides for the customer to be given a copy of the contract. The measure would

Communications Feedback . . .

Sir:

I want to express my extreme pleasure for the excellent manner in which the conference was handled. It showed careful planning and I think it was one of the best organized conferences that has been produced.

Dean Ashby, Chairman
Credit Management Division
National Retail Merchants Ass'n.
New York, N. Y.

Sir:

I would like you to know that the Miami Conference was my 10th. Even though I am engaged in wholesale credit, I find the consumer credit conferences extremely interesting and informative. They have helped me do a better job.

Lorine Shaw, Credit Division
Lovable Brassiere Company
Toronto, Ontario, Canada

Sir:

I am writing you to pass along the comment of one of my members when he paid me the membership fee and signed a contract for bureau services. He referred to the article in the January CREDIT WORLD on building self-confidence. This one article was worth the price of membership he told me.

John T. Pfeffer, General Manager
Credit Bureau of Franklin and
Warren Counties
Washington, Missouri

Sir:

Thanks for the Hospital Credit and Collection manual. It was exactly the thing I needed. It was very well composed and easy to understand. I may have to call on you again.

Joseph W. Harper
Administrative Assistant
County of Hamilton
Cincinnati, Ohio

Sir:

Dutch Womack is unquestionably performing a service of inestimable value to the business and professional people of this continent. It is a great pity that Dutch isn't a dozen people so that everyone in the country could have the benefit of hearing him within a short time.

Martha S. Barker, Manager
Credit Bureau of Winder and
Monroe
Monroe, Georgia

Sir:

It was a sincere pleasure working with the NRCA staff during the conference.

From all indications it was a huge success. Many delegates expressed their delight for a well organized program. They have had nothing but praise for the panel of speakers as well as the social side of the conference.

A. J. DeMarco, Public Relations
Family Finance Corporation
Wilmington, Delaware

Sir:

Thank you again for the opportunity to appear on the recent International Consumer Credit Conference Program. It's one experience that I will remember for a long time.

Nancy Dale, Student
Jackson High School

Miami, Florida

Sir:

I am enclosing a copy of my conference report to our retail credit association this week. I belong to many organizations, have attended conventions and conferences for many years but I found this last one the most inspiring and best one I ever attended.

Melvin Ross, President
Albuquerque Retail Credit Assn.
Albuquerque, New Mexico

Sir:

Just a note to tell you what a terrific conference you staged. Conflicting meetings prevented me from attending all but those I did attend were certainly a great improvement over previous conferences. Congratulations!

Don H. Puffer, Executive Vice Pres.
The Credit Bureau of Greater Denver
Denver, Colorado

Sir:

Bless you for that wonderful letter. Sincerely hope that my contribution entitles me to it. Rode to the airport with Armand Gariepy and we concluded that among all the groups we had shared programs before, this one, YOURS, was tops. Do hope we can work together again.

Dr. Charles E. Irvin, Consultant
General Motors Corporation
Ormond Beach, Florida

Sir:

I am at my desk this Monday morning full of enthusiasm and ideas which is impossible to get anywhere else except at a convention such as we had in Miami. Each talk, prayer, welcome address, response, music, keynote address, and group sessions were the best I have

ever heard. One's mind may not work so well when tired but you are afraid you are going to miss something important so continue to endure the discomfort of hard seats and weariness.

Grace B. Obenshain
W. B. Greene Co., Inc.
Kingsport, Tennessee

Sir:

The management and entire staff join me in extending to the International Consumer Credit Conference a most cordial invitation to return to the Americana. It was truly a privilege and a pleasure to host your group and we sincerely hope you were pleased with our service and facilities as we were in serving you.

Charles Craddock, General Manager
Americana Hotel
Miami Beach, Florida

Sir:

The entire group from NRCA and CWBConfNA were terrific! Don't know when I have enjoyed greater hospitality or more friendliness with any group.

Ray O. Mertes, Director
School & College Services
United Air Lines
Chicago, Illinois

Sir:

We are very impressed with the articles in the May, 1961 issue. We would like to use the material in these articles to stencil the managers in our unit.

C. O. Connor, Personnel Department
The Great Atlantic & Pacific
Tea Company
Springfield, Mass.

Sir:

Miss Frances Hernan was terrific in her public relations clinic before the medical assistants here in Charlotte. We had 93 satisfied students and I want to recommend to every Credit Bureau that they make an effort to have her in their city. She is the best sales person the Credit Bureaus have.

Charles Dudley,
Charlotte Merchants Association
Charlotte, North Carolina

Sir:

Miss Hernan did a magnificent job with her course here at Rochester. We had 71 registrations and I would recommend this clinic without reservations to any hospital group. The NRCA can be very proud of this type of instruction.

J. Bilger Bronson,
Rochester Regional Hospital Council
Rochester, New York

also set maximum rates of interest on commodities.

Pennsylvania: A bill to set up a consumers' council in the State Justice Department to represent the public before state regulatory agencies was introduced by Senator Harry E. Seyler.

Colorado: An "Analysis of New Colorado Chattel Mortgage Act," Senate Bill 168, approved April 24, 1961 has been prepared by Louis A. Hellerstein, attorney. Copies may be procured by writing Donald H. Puffer, Executive Vice President, The Credit Bureau of Greater Denver, 600 13th St., Denver 4, Colorado.

Ottawa, Canada: The Senate has killed a bill which

would have required finance companies to disclose in clear terms the full cost of interest on credit transactions. The Upper House voted 35 to 26 against giving second reading. The rejection on second reading, the first in many years, prevented the measure from going to a committee for full study.

Nebraska: Senator Munelly withdrew his bill L. B. 462 "Credit and Financial Reporting Bill".

Washington: In a special session called to consider measures to raise revenue, a surprise move was made to extend the sales tax to include credit bureau services. The result was a 4 per cent tax on all credit bureau services.

Local Association Activities



Ellensburg, Washington

The Retail Credit Association of Cle Elum-Roslym, Ellensburg, Washington, held their annual election and the following officers were elected: President, Fred Robb, Mountain Auto Parts; Vice President, Harrison Benjamin, McKnight Motors; Treasurer, Cahlen Hudgens, H. & H. Furniture; and Secretary, W. Z. Smith, The Credit Bureau.

Atlanta, Georgia

The 1961 officers and directors of the Atlanta Retail Credit Association, Atlanta, Georgia, are: President, James S. Smith, Shell Oil Company; First Vice President, Louis J. Fortuna, The Citizens & Southern National Bank; Second Vice President, Mrs. Lucile Phillips, Thompson, Boland, & Lee; Secretary, Mrs. June G. Darrington, The Credit Bureau; and Treasurer, Frank G. Mewborn, The Credit Bureau. Directors: Julian J. Barfield, The First National Bank of Atlanta; Claude R. Gaines, Regenstien's; James W. Graham, Rich's Inc.; George L. Griffith, Rich's Inc.; Eugene E. Jones, The Citizens & Southern Bank of East Point; Fred F. Jones, Jr., Parks-Chambers; John R. McGill, The First National Bank of Atlanta; H. J. McGowan, Community Loan & Investment Corporation; Wallace Wingfield, Atlanta Gas Light Company; and Mrs. Corrie Edmondson, President, Atlanta Credit Women's Club.

Albany, New York

At the annual meeting of the Albany Retail Credit Association, Albany, New York, the following officers were elected: President, Edward Sullivan, Peerless Company; Vice President, William Boaden, John D. Wendell; Treasurer, Edward P. Cody, Albany Credit Bureau; and Secretary, Mrs. Rhoma Bailey, State Bank of Albany.

Bristol, Virginia-Tennessee

At the February meeting of the Credit Granters' Association of Bristol, Virginia-Tennessee, new officers and directors were elected for 1961. They are: President, Mrs. Ethel W. Keesling, Burroughs Shoes; Vice President, Peggy M. Miller, Credit Bureau of Bristol; Secretary, Janet V. Harr, Charr-It; and Treasurer, Eugene S. Hearl, Washington Trust and Savings Bank. Directors: Mrs. Dorothy Phillippi, Pinemont Farms; Mrs. Margaret M. Price, Holston Loan Company; Floyd R. Rutherford, Appalachian Oil Company; R. L. Tanksley, McClure Motors; Mrs. Elizabeth S. Weinstein, The Jewel Box; M. W. Griffin, Jr., Home Credit Company; and Fred P. Entler, Credit Bureau of Bristol.

Dalton, Georgia

The new officers and directors of the Retail Credit Association of Dalton, Georgia, are: President, Larry L. Cochran, Chief Auto Supply Company; Vice President, Billy Joe Hawkins, Paramount Dairies; Secretary, Frank Smith, Strain Feed and Coal Company; and Treasurer, Hubert Caldwell, Sherwin Williams Company. Directors: William B. Middleton, Dalton Federal Savings and Loan; P. F. Manning, Cowan Auto Stores; Ken Kyle, Peoples Auto Loan and Finance Corporation.

Salem, Oregon

At the annual banquet of the Salem Retail Credit Association, Salem, Oregon, the following officers and directors were elected: President, Leonard Van Kleeck, Western Security Bank; Vice President, Joseph Lane, General Finance Corporation; and Secretary-Treasurer, Charles Schmitz, The Credit Bureau of Salem. Directors: Ernest W. Reames, Hogg Bros. Furniture & Appliance; Walter Batliner, U. S. National Bank; Alta Myers, Merritt Truax Oil Company; Gladys Roberts, Salem Clinic; Clyde Barker, Davidson's Auto; Mertie Eckles, Good Housekeeping; David Chamberlain, Salem Memorial Hospital; and Bruce Hanson, Lipman Wolfe Company.

Edmonton, Alberta, Canada

The new officers and directors of the Credit Granters' Association of Edmonton, Alberta, are: President, Paul E. Slipper, Hudson's Bay Company; First Vice President, William R. Sperry, Canadian Bank of Commerce; Second Vice President, Frank F. Sklove, Arcade Limited; Secretary-Treasurer, C. H. Williams, Credit Bureau of Edmonton, and Assistant Secretary-Treasurer, Ronald Burkin, Credit Bureau of Edmonton. Directors: W. R. Sword, T. Eaton Ltd.; Tom Collins, Campbell Furniture Ltd.; Stanley Poloway, O. K. Construction & Supply; Adam P. Kibsey, Signature Finance Ltd.; R. N. Lippe, Woodwards Stores Ltd.; Walter A. Bamsey, Miller Motors Ltd.; Mrs. Ida Kline, Walk-Rite Ltd.; Mary Greenwood, Marshall Wells of Canada Ltd.; J. Von Schmidt, City Lumber Company; and Myn McGaffin, Henry Singer Ltd.

Goldsboro, North Carolina

The 1961 officers and directors of the Wayne County Retail Credit Association, Goldsboro, North Carolina, are: President, Irving O. Barker, Leder Brothers Department Store; Vice President, W. E. Herring, Southerland Furniture Company; and Secretary-Treasurer, Walter S. Collier, Credit Bureau of Goldsboro. Directors: W. E. Thunberg, The Jewel Box; B. H. Bell, Bell Stuart Furniture Company; Mrs. Elizabeth Stroud, *The News Argus*; John P. Taylor, Union Finance Company; and H. H. Alexander, Branch Banking & Trust Company.

East Orange, New Jersey

The new officers and directors of the Retail Credit Association of East Orange, New Jersey, are: President, David Leff, Mechanics Finance Company; First Vice President, Alexander L. Mackenzine, Kresge-Newark; Second Vice President, Leon Dreskin, Attorney; Treasurer, Mrs. Irmgard S. Herz, Liberty Fuel Oil Company; and Secretary, William E. Dunkinson, Jr. Directors: Walfred Abrahamson, Public Service Electric & Gas Company; William O. Schenck, National Newark & Essex Banking Company; Lee R. Hill, The Medical Dental Plan; Richard S. Ashley, Fidelity Union Trust Company; John Piemonte, Quackenbush Company; Fred Zuendt, Huffman & Boyle Company; Alfred Schrama, National State Bank; James J. McCarthy, Hackensack Trust Company; and Edward J. Bedford, General Electric Credit Corporation.

Successful Medical Credit Granters School at Charlotte

SHOWN BELOW is a photograph of the highly successful school conducted by Miss Frances M. Hernan, N.R.C.A.'s field lecturer in Medical and Dental Credit and Collection Procedures.

Charles Dudley, Executive Vice President, Charlotte Merchants Association reports that "Miss Frances M. Hernan was terrific in her public relations clinic before the medical assistants here in Charlotte. We had 93 satisfied students. I want to recommend to every Credit Bureau in the country that they make every effort to have Miss Hernan appear in their town. I cannot tell you in dollars and cents what she did for us but I can tell you that we are collecting accounts for doctors where we were never able to get our foot in the door before. Miss Hernan knows what she is talking about and is an outstanding salesperson for the credit bureau. We thank you for your efforts in arranging for Miss Hernan to come to Charlotte. Her presence and ability were both outstanding."

The National Retail Credit Association is proud to offer the services of Miss Hernan to hospitals and medical and dental credit groups.

Miss Hernan served twenty-five years at the Massachusetts General Hospital, Boston as Head Cashier, Chief Accountant and Credit Manager. She is now retired and is a Hospital and Professional Credit and Collection Consultant. She was First President of the Hospital Credit Association of New England, First President, Massachusetts Chapter, American Association of Hospital Accountants; First Woman President, Retail Credit Granters of New England and Eastern Canada; First hospital person to be elected President of the Retail Credit Association of Greater Boston. Miss Hernan is a member of the National Retail Credit Association, Credit Women's Breakfast Club of North America, and the Credit Bureau of Greater Boston. Because of her practical background and experience, the National Retail Credit Association has selected her to present this Course.

Since Miss Hernan has been connected with National Retail Credit Association as a professional field lecturer,

she has conducted schools in many important communities. Included in this list are the following:

- . . . Salem, Massachusetts
- . . . Philadelphia, Pennsylvania
- . . . Washington, D. C.
- . . . Worcester, Massachusetts
- . . . Rochester, New York
- . . . Boston, Massachusetts
- . . . Dalton, Georgia
- . . . Cincinnati, Ohio

Each student receives a generous portfolio of materials to take home which includes "Hospital Credit and Collection Manual" published by the National Retail Credit Association. This carries a retail price of \$2.00. The following are the chapter headings:

- Chapter 1—Something About Retail Credit;
- Chapter 2—Pre-Admitting and Credit Procedure;
- Chapter 3—When the Patient Arrives;
- Chapter 4—While the Patient Is Still in the Hospital;
- Chapter 5—When the Patient Is Discharged;
- Chapter 6—After the Patient Is Discharged;
- Chapter 7—Principles of Effective Letter Writing.

Included in the manual are several original collection letters which can easily be adapted to any hospital or medical office particular requirements.

The course is offered principally for personnel in those departments involved in the extension, control and payment of hospital "Accounts Receivable" and covers in detail the following: an informed professional staff; an informed patient; a good admitting procedure; financial arrangements on discharge, methods of billing; and collection follow-up.

Medical credit is becoming so very important these days and improved collections so fundamentally essential, that attendance at a school of this kind is a "must". Miss Hernan is an outstanding and highly competent lecturer, with a gracious and friend-winning manner.

Interested members are earnestly urged to write to the Director of Education, National Retail Credit Association, 375 Jackson Avenue, St. Louis 30, Missouri, for full information about Miss Hernan's school and available dates.





CREDIT DEPARTMENT *Communications*

LEONARD BERRY

GOOD CREDIT and collection letters involve psychological implications that do not exist in other types of correspondence. This is because credit and collection letters deal intimately with deeply personal aspects of life. Credit is closely woven into the very fabric of the daily life of Mr. and Mrs. America.

We must often write about money matters. The pocket-book is a sensitive spot. We must occasionally collide with a customer's inflated idea of how far a store can go in the matter of making an adjustment. This means thwarting his wishes. Sometimes we must actually refuse an applicant the credit service sought. This can be a severe blow to one's pride. All these, and many others we must encounter, are truly delicate matters. Deep and lasting wounds can be caused by clumsy and inept handling.

The most important first step is *thought*. Thought about the person to whom the letter is going. Who is this person? What is his general level of living? What are likely to be his principal problems? What is his need or desire in the particular situation being written about? What mental pictures do we want to set up in his mind? What words will best create those mental pictures?

This means concentration. It means the ability to see the problem through another's eyes. Most business letters treat the problem mainly from the *writer's* point of view—see the problem only through selfish eyes. We must develop the capacity to find *solutions to problems* and the grace to present those solutions in a courteous and constructive manner.

With a clear idea of the kind of person being written to and an equally clear idea of the action it is necessary for him to take, the case should be presented in simple and friendly language. Consider just how you would put the matter to him if he were seated at your desk.

This helps to achieve the warm, personal, understanding tone the successful letter must have. Simple, natural phraseology conveys ideas rapidly and exactly, and is more likely to gain affirmative and speedy action.

Basically we must always *consider the customer first*. Every letter from the credit department not only must be itself a sales letter, it will have a direct bearing on sales of merchandise. There is no situation so good that it cannot be improved by a fine letter. There is no situation so bad that it cannot be made vastly better by a thoughtful and sincere letter. Letters can create warmer friendships, more enduring loyalties and increased buying.

Wherever possible, *compliment* the reader. The theme of the letter should always be constructed around the reader's desires and needs.

A recent advertisement of a financial service quoted Aristotle to the effect that all human actions have one or more of these seven causes, Chance, Nature, Compulsion, Habit, Passions, Desire, and Reason. In analyzing a letter writing situation, it is helpful to try to imagine how and why the reader will react to the message. Which of the seven causes will be the *motivating* one? Even if the

forecast is far from being completely accurate, it will at least enable the writer to express his appeals more appropriately.

Sometimes it is wise to concede a point or two if by so doing we do not violate basic principles. This is referred to in human relations as the "law of minor concessions". When we "give in" on points not vital to the issue, the better able we are to pursue the main objective. If we yield on lesser points we are more likely to gain acceptance of really significant ones. Compromise, conciliation, making minor concessions, all these are marks of the skilled practitioner in the art of getting things done through people. And, that is what modern business letter writers must be.

This Month's Illustrations



Illustration No. 1. Here is an excellent letter from a bank to a fine customer who is paying his contract with the bank exactly as he agreed. Notice how warm, human and friendly the bank appears to be! This is a tremendous improvement over the rather cold and forbidding aspect banks generally presented to the world in years past. The paid-up, and the paying-up, customers are first class prospects for more credit service. We should all cultivate them diligently.

Illustration No. 2. James Bell, Cloverlake Dairy Foods, Lubbock, Texas, sends this fine "new account" letter written on a beautiful two-color letterhead, which colors unfortunately we cannot reproduce, together with an attractive pamphlet showing the range of dairy foods offered by Cloverlake. Mr. Bell reports receiving many favorable comments on this pleasing mailing.

Illustration No. 3. Shoppers Charge Service, St. Louis, Missouri, graciously opened an account for me, and sent this splendid "welcome" letter, together with a shopping plate and directory of stores where the plate would be recognized. The mailing was done in unusually fine fashion and had a tone of friendly dignity. Space limitations prevent showing more than the letter itself. However, I am sure that Manager Leonard Corkhill will gladly send copies to anyone interested. See his address on the letterhead.

Illustration No. 4. Several members have asked us to show examples of letters dealing with the delicate problem of the "over-bought" account. Here we show two such letters used by the Hecht Company, outstanding Baltimore, Maryland, department store. Once in a while it is necessary for a store or firm to take a firm position with seemingly careless and irresponsible debtors. However, the door should always be kept at least ajar so that friendly relationships can quickly be restored when improving circumstances permit.

Manchester Bank of Saint Louis



ELMER J. NONNENKAMP
Vice President

May, 1961

Mr. Arthur H. Hert
10 Orchard Lane
St. Louis 22, Missouri

Dear Mr. Hert:

Thank you, very much.

This letter expresses our appreciation of the prompt manner in which you are meeting the installments on your contract.

Although when you sign a note it is expected that you will meet the terms in accordance to contract, it is a real pleasure for us to see those contracts that require no prompting. We do want to let you know that we are aware of the respect that you give to your obligations. You have clearly shown your willingness and ability to conform to the provisions of your agreements. Accordingly, may we assure you of our desire to consider your future needs.

So once again, thank you.

Yours very truly,

E. J. Nonnenkamp
E. J. Nonnenkamp
Vice President

Cloverlake

Cloverlake Dairy Foods - box 3736 - Lubbock, Texas - PO 31947 - 408 N. College

Good Morning....

Because milk is so important to the diet and health of you and your family, your selection of a dairy is one deserving particular care.

We are particularly pleased that you have selected Cloverlake Dairy Foods for your table and have become a valued customer of "the dairy with cows." Your routeman is anxious to tell you of many dairy foods available to you and render every possible customer service.

At this writing, I want to assure you of our strict policy to control the purity of our dairy foods — from the time milk is received from our regularly inspected herds to the time it is delivered to your refrigerator. We know that our dairy foods are fresher because they come to you from "the dairy with the cows." So long distance transports — no delays are encountered to get the fresh milk from dairy farms to processing plant and to your home.

Is time you will want to share this information with your neighbor and friends across town — to tell them of the Sealon Hood that keeps the pouring lip of any Cloverlake milk bottle free from human contact in delivery, keeps the bottle dairy-clean until milk is served, and — tell them of the satisfying taste experience you have in serving all of the dairy foods from Cloverlake.

We welcome you as a new customer and your comments for the further improvement of our service and dairy foods.

Respectfully,
Manager

Shoppers CHARGE Service

712 COTTON BELT BLVD., 4th FLOOR
ST. LOUIS 2, MISSOURI • CHARGE IT, 1961

3

Thank you...
...for opening a Shoppers Charge Account. We appreciate the opportunity to make our service available for your shopping convenience.

Your SCS Charge Plate is enclosed...also Questions and Answers about our service...and a Directory of Member Stores.

In addition to the hundreds of stores in metropolitan St. Louis, you may enjoy the same charging privileges at Member Stores in Kansas City, Minneapolis, St. Paul, Indianapolis, Cincinnati and Columbus, Ohio. All Member Stores display the Shoppers Charge emblem. It is their invitation to you to come in and say "Charge it."

You will want to read the information about your account in the Questions and Answers folder and on the back of the charge plate holder. If you've selected the Regular Charge, the balance in full is due each month; if yours is the Flexible Charge you may pay as little as 1/5 of the balance monthly...or the balance in full, whichever you prefer.

Don't forget to carry your SCS Charge Plate--It's the smartest thing in billfolds.

Leon E. Corkhill

Leonard E. Corkhill
Assistant Vice President

P. S. If you have any questions about your account, please phone me. I'll be glad to help in any way I can.

The Hecht Co.
BALTIMORE - 1

4

Dear Customer:

The balance on your account now greatly exceeds the amount originally indicated by you as your credit needs.

For this reason, we must ask that no more purchases be made on your account and it is requested that you contact us at once and make arrangements and thereby avoid possible embarrassment.

It is our sincere desire to serve your credit needs to the fullest extent and we assure you of our complete cooperation.

Very truly yours,
THE HECHT COMPANY
Collection Division

MU 54444

Dear Customer:

It was recently brought to your attention that your account was both over-due and over limit and, to date we have not been informed as to your plans to restore this account to good standing.

We have enjoyed doing business with you, but while your account is in this condition, we shall have to request that you return your Plate to us immediately.

Of course, we don't want to inconvenience you in any way, therefore please contact us at once so that mutually satisfactory arrangements may be made.

Very truly yours,
THE HECHT COMPANY
Collection Division

MU 54444



People and Events

For Sale

Well established collection agency and Credit Bureau in central Arizona. Unlimited potential in fast growing area. Price \$40,000, mostly cash. Box 7611, The CREDIT WORLD, 375 Jackson Avenue, St. Louis 30, Missouri.

Two Universal Sorting Machines, also Acme Visible equipment. Write M. A. Pickel, 158 Euclid Avenue, Cleveland 14, Ohio.

James C. Herren Observes Anniversary

On May 25, 1961 James C. Herren, Manager of the Credit Bureau of Greater Miami, Miami, Florida, observed his 30th anniversary with the Affiliated Companies. He was presented with a beautiful engraved silver dish at a continental breakfast by Eric Eastwood, Vice President. Before coming to Miami ten years ago, Mr. Herren had served in various capacities in the Retail Credit Company and Retailers Commercial Agency. In 1954 the Credit Bureau received the District ABCofA achievement award for cities in its population bracket and has increased its overall volume 350 per cent in the last ten years. Jim is active in civic affairs and trade associations being a Director of the Associated Credit Bureaus of Florida, Secretary of the Greater Miami Credit Association, Treasurer of the Dade County Chapter of the American Red Cross, Vice President of the Miami Dade County Chamber of Commerce and a Director of the Miami Kiwanis Club. He is a member of the Coral Gables Country Club and is active in the First Methodist Church of Coral Gables.

He and his wife Dorothy reside in Coral Gables and have one son, Bob, who is a student at Florida State University. He spends much of his spare time fishing in the beautiful waters of Biscayne Bay.

"Conference Pictures"

(Beginning on page 15)

11. Presenting the keynote speech at the closing session was Alfred C. Thompson, Executive Vice President, Miller and Rhoads, Richmond, Virginia, President, National Retail Merchants Association. Mr. Thompson's subject was "The Challenge of Change".
12. Dewey Godfrey, Executive Vice President, Bank of Charlotte, Charlotte, North Carolina, Second Vice President, NRCA is shown directing a question to members of a panel discussing the question "Are Credit Bureaus and the Collection Service Departments Meeting the Needs of the Credit Sales Managers?"
13. Here we see Wanda Brown, First National Bank, Mason City, Iowa discussing a problem with the attendees of the Instalment Bank Credit Group, chairmaned by Cyril J. Jedlicka, City National Bank, Kansas City, Missouri.
14. This is part of the Home Services Industries group meeting informally discussing the specific credit and collection problems involved in their businesses.
15. Fred R. Hachtel, Gimbel Brothers, Milwaukee, Wisconsin, Vice President, NRCA, is shown as he introduces Ray O. Mertes, Director, School and College Service, United Airlines, who chose as his subject, "Horizons Unlimited".
16. "Building Sales and Profit Through Credit" was the subject presented by Armand J. Garipey, Sales Training Specialist, Barre, Massachusetts at the closing session of the Conference.
17. Here is shown Martha Bean Gleason, Incoming President, Credit Women's Breakfast Clubs of North America, speaking before the Joint Session of NRCA and CWBC of NA.

Credit Women Elect Officers

At the annual meeting of the Credit Women's Breakfast Clubs of North America held in Miami Beach, Florida, in conjunction with the 47th Annual International Consumer Credit Conference, the following officers and directors were elected: President, Mrs. Martha Bean Gleason, The Credit Bureau, Washington, D. C.; First Vice President, Helen B. Sawyers, Credit Bureau of Snohomish County, Everett, Washington; Second Vice President, Mrs. Dorothe M. Bolte, Lyons Brothers Lumber and Fuel Company, Joliet, Illinois; Third Vice President, Mrs. Wanda M. Brown, First National Bank of Mason City, Mason City, Iowa; Secretary, Mrs. Martha Jones, Suburban Gas, Pomona, California; Treasurer, Mrs. Dorothy Alexander, Cities Service Oil Company, Shreveport, Louisiana; and Executive Manager, Geneva F. McQuatters, St. Louis, Missouri. Chairmen: Nominating, Mrs. Inez McGaughy, Picketts, Chattanooga, Tennessee; Budget, Mrs. Helen S. Spendlove, Merrill, Lynch, Pierce, Fenner and Smith, Salt Lake City, Utah; Bylaws, Mrs. Mary S. Morgan, Clark Optometrists, Houston, Texas; Advisory, Lil Person, Plymouth Furs, Minneapolis, Minnesota; Future Advantages, Mrs. Georgia Marvin, John G. Myers Company, Albany, New York; Historian, Mrs. Mae Moleski, Cook's Laundry and Cleaners, Orange, Texas; Bulletin, Mrs. Jean H. Benedict, Credit Bureau of Greater Denver, Denver, Colorado; and Silver Anniversary, Avadana Cochran, Credit Bureau of Kitsap County, Bremerton, Washington. District Presidents: One, Mrs. Hazel Werme, Industrial City Bank, Worcester, Massachusetts; Two, Mrs. M. Irene Dolan, Industrial Bank of Schenectady, Schenectady, New York; Three and Four, Hermoine Carter, S. Eagle and Sons, Selma, Alabama; Five, Helen Kirwin, Dr. D. W. B. Johnston, London, Ontario, Canada; Six, Mrs. Betty J. Geist, Credit Bureau of Des Moines, Des Moines, Iowa; Seven, Anna Mae Larrance, Harzfels, Kansas City, Missouri; Eight, Karl K. Arendal, Community Finance & Thrift Corporation, Waco, Texas; Nine, Marguerite Boiteux, Commercial Security Bank, Ogden, Utah; Ten, Mrs. Alice Dea, Electric City Printing Company, Great Falls, Montana; Eleven, Bette Wyland, Credit Bureau of Santa Clara Valley, San Jose, California; Twelve, Jayne White, E. O. Crawford and Sons, Portsmouth, Virginia; and Thirteen, Guyulla Keithley, American Fletcher Bank, Indianapolis, Indiana.

Ray Edwards Dies

Ray C. Edwards, Manager, Credit Bureau of Greater East Bay, Oakland, California, died May 9, 1961 of leukemia and was buried May 11, 1961. He died in Doctors Hospital, Oakland at the age of 53. He was vice President of District Seven of the Associated Credit Bureaus of America. He had been a loyal member of the National Retail Credit Association for many years and attended a number of our National Conferences. The family's home address is 22 Sequyah View Drive, Oakland, California. He is survived by his wife Mae and a daughter to whom the officers and directors of the National Retail Credit Association extends its sincerest sympathy.

needed. Many fathers act as coaches, referees, instructors—and many more would be willing to serve in like capacities for the advancement of scientific education.

5. Classroom visits by company representatives. Many schools favor this as an excellent means to acquaint the youth with the world around him. These visits should be instructive, geared to tell the class about an industry

and its importance. For example, many electric companies conduct classes on the scientific principles of electricity.

6. Provide visual aids and films for the teachers to use. These can relate to either an industry or another subject of value, more general in character.
7. Don't be afraid to talk about your industry and its person-

nel and accomplishments. Our bright science students are much better informed than they are given credit for and are deeply interested in industry and its efforts, whether they be in biology, medicine, space or energy.

These are some of the suggestions of the youths themselves. The business world has an obligation to fill this vacuum in the education field. ★★★

Quarter Century Club Breakfast

The Sixteenth Annual Breakfast of the *Quarter Century Club* of the National Retail Credit Association was held at the Americana Hotel, Miami Beach, Florida on Wednesday, June 7, 1961. Breakfast was served on the cheerful and colorful Carioca Terrace. The following were present:

Dean Ashby, The Fair, Fort Worth, Texas; Arthur B. Buckeridge, Memphis Consumer Credit Association, Memphis, Tennessee; Mrs. Caroline Condon, Credit Bureau of Kitsap County, Bremerton, Washington; Lindley S. Crowder, Retired, San Mateo, California; Edward M. Gallagher, Lit Brothers, Trenton, New Jersey; Harold Genser, Genser & Sons Ltd., Winnipeg, Manitoba; J. C. Gilliland, Fingerhut Manufacturing Co., Minneapolis, Minnesota; Fred R. Hachtel, Gimbel Brothers, Milwaukee, Wisconsin; Arthur H. Hert, N.R.C.A., St. Louis, Missouri; W. H. Jernigan, The Credit Bureau of Mobile, Mobile, Alabama; Owen M. Jones, Washer Brothers, Fort Worth, Texas; G. L. Kuhnelt, J. F. Hink & Son, Berkeley, California; Ralph W. Matthews, Credit Bureau of Kalamazoo, Kalamazoo, Michigan; Earle A. Nirmaier, W. Wilderott and Company, Newark, New Jersey; Earl E. Paddon, Lamert Furniture Company, St. Louis, Missouri; Lily F. Person, Plymouth Furs, Minneapolis, Minnesota; and E. Leslie Silver, Credit Bureau of Windsor, Windsor, Ontario.

After the breakfast, A. B. Buckeridge, Memphis, Tennessee, presiding in the absence of President Harvey King, Nashville, Tennessee, asked the Secretary, Mrs. Caroline Condon, Bremerton, Washington to read the minutes of the previous meeting. The minutes were read and approved. Following this several members took the occasion to reminisce about former conferences, personalities and events of past years. New officers elected for one year are: Lily Person, Plymouth Furs, Minneapolis, Minnesota, President; Mrs. Carolyn Condon, Credit Bureau of Kitsap County, Bremerton, Washington, Secretary; and Arthur H. Hert, National Retail Credit Association, St. Louis, Missouri, Treasurer. L. S. Crowder, San Mateo, California was elected Honorary Treasurer.

There are now 446 members of the *Quarter Century Club* and 199 Honorary Life Members. In answer to many inquiries, we again state the requirements for membership in the Club. The *Quarter Century Club* of the National Retail Credit Association is composed of persons who have represented firms or credit bureaus holding membership in the National Retail Credit Association for 25 years or more. They may have been employed by one or more firms or credit bureaus during that time. The

membership records at the National Office must show the individual as a representative of the firm or firms. The same rule applies to individual memberships, including those self-employed.

All those eligible are cordially invited to attend the next Annual Breakfast of the Club at the 48th Annual International Consumer Credit Conference at Spokane, Washington in June 1962. The Club meets only once a year for fun and fellowship. There are no dues and no constitution and bylaws. It is a group of members who are joined together by virtue of their long association in the consumer credit profession and the National Retail Credit Association.—Caroline Condon, Secretary, Credit Bureau of Kitsap County, Bremerton, Washington.

U.S. Chamber Honors William H. Blake

Richard Wagner, President, Chamber of Commerce of the United States, Washington, D. C. appointed William H. Blake, Executive Vice President, National Retail Credit Association, as a member of its Trade Association Committee for 1961-1962. This important committee serves as an advisory body to the Board of Directors on all programs and policies of importance to trade and professional associations affiliated with the National Chamber. It also works to educate business, government and the public on the value of associations while striving to secure the cooperation of associations in solving problems of importance to all American business. Mortimer Doyle, Executive Vice President, National Lumber Manufacturers Association, Washington, D. C. will serve as Chairman of the Committee. The group's first meeting was held in Princeton, New Jersey, June 26-27, 1961. James P. Low, Manager, Association Service Department, Chamber of Commerce of the U. S. will be in charge.

Anaheim Organizes Local Unit

Anaheim credit executives, Anaheim, California, have organized a local unit affiliated with the National Retail Credit Association. Officers elected at the organizational meeting are: President, Ray Dwyer, Sheet Metal Engineering; Vice President, Richard Riesser, Department of Veterans Affairs; Treasurer, A. B. Jackson, Gold's Furniture; and Secretary, Phyllis Freel, Broadway Department Store. They have not as yet selected a name for their group. There are 25 charter members.

Wanted to Buy

One used Graphotype; ten used charge authorizing phones; and one used pay bill register. Contact Mrs. Grace Obenshain, W. B. Greene Company, Kingsport, Tennessee.

From the NATION'S CAPITAL

JOHN F. CLAGETT, Counsel

NATIONAL RETAIL CREDIT ASSOCIATION, WASHINGTON, D. C.



Formula For Control of Personal Bankruptcy:—Edward J. Frey, Chairman of the Instalment Credit Committee of the American Bankers Association, in a speech at a recent meeting of that Committee in Chicago, referred to the increase of personal bankruptcy to approximately 100,000 cases in 1960, predicted 125,000 cases in 1961, as "sobering." "Now is the time," he said, "to correct the abuses and to preach the gospel of personal credit integrity." He then made the following statement, which appears to represent a formula which might go far to save many personal bankruptcies from being filed:

"There is another side to this story about bankruptcies. Fundamentally, we should extend consumer credit on the basis that we can always assist the borrower in times of distress or unemployment by refinancing his debt or by extending certain payments. *If every lender of consumer credit adhered to this principle, we would go a long way toward controlling the problems of personal bankruptcies.*" (Emphasis added.)

Proposed Consumer Counsel:—The platform upon which the present Administration ran for election last fall stated: "We propose a consumer counsel, backed by a suitable staff, to speak for consumers in the formulation of Government policies and represent consumers in administrative proceedings."

Ever since the Administration took office there have been rumors of the appointment of such a consumer counsel, but as of the middle of June this had not been done. However, the President's close advisors, having disposed of studies and legislative proposals on a large packet of the most pressing of the "New Frontier" measures, now have under active study the question of consumer counsel. One idea is to make it a part of the President's Economic Council.

Proposed Senate Committee On Consumer Interests:—In addition to the two well-advertised Senate bills in the consumer area (namely, the Douglas Bill, S. 1740, to require disclosure of finance charges in terms of a simple annual rate; and the Kefauver Bill, S. 1688, to create a Department of Consumers headed by a "Secretary of Consumers"), there have been introduced in the Senate two resolutions calling for the appointment of a Select Committee on Consumer Interests.

One of these resolutions, S. Res. 119, was introduced by Senator Javits (R. New York), who has been long identified with this subject. He re-introduced his old resolution of the last Congress calling for a select committee of 17 members of the Senate to conduct a "continuing comprehensive study and investigation" of the economic problems of consumers, the extent to which present legislation meets any of these problems, and the nature of additional legislation necessary and desirable for the solution of such problems. He was joined by four co-

sponsors—Senators Cooper, Keating, Prouty and Scott, all on the Republican side.

The Senator Neuberger Select Committee Proposal:—Another resolution, S. Res. 115, calling for the creation of a select committee of 15 Senators, put in the hopper by Senator Maurine B. Neuberger (D. Ore.), was much more specific and was co-sponsored by 14 Senators, all but one of whom are Democratic. This committee, among other things, would be directed to investigate: "(2) the relationship of prices, quality, packaging, labeling, standardized units of measure and identity, laws relating to credit, usury and bankruptcy, advertising, and methods and costs of production and distribution, to the effective expenditure of personal income;" and "(6) the necessity or desirability of establishing within the executive branch of Government an agency exclusively devoted to the interests of consumers."

There can be little doubt that Senator Neuberger regards her resolution as a highly important one as in recent weeks she has made a number of short speeches or statements on the Senate floor on the general subject of consumer interests and protection. These may indicate that Senator Neuberger has aspirations of becoming the spokesman for the American consumer, whom she has labeled as thus far the "ignored American."

The Senator indicates that in her opinion we are about to witness the dawn of a new era for the consumer: "For too many years," she stated, "the consuming public has worked without help or necessary rules and regulations. I think we are about to watch a new birth of freedom under which each of us will be assured that his consumer interests will be considered and safeguarded, and his opinions will be sought."

She quoted with approval an announcement by Secretary of Agriculture Orville Freeman that: "We intend to reestablish a consciousness of the consumer's interest in the day-to-day activities of the Department. This will range from providing staff personnel with the responsibility of representing consumer views to a determined effort to seek greater consumer counseling on the regulatory functions of the Department." And again: "Whenever it is determined that a program is needed for a particular commodity, at least one member of the commodity committee selected to formulate this program shall be appointed to represent the consumer point of view."

The sheer size of the "consumer interest,"—some \$328 billion of personal consumption expenditures in 1960—is often cited in any discussion or analysis of the problem. When she introduced S. Res. 115 Senator Neuberger said: "Mr. President, the expenditure of some \$328 billion is a significant annual event. And because of this significance, there is justification for the Senate to look into this matter to determine that this money has been spent effectively."

SALES PROMOTION
INTERVIEWING
INVESTIGATING
AUTHORIZING
BILLING
COLLECTIONS
CONTROL

The CREDIT CLINIC

A "give-and-take" page, wherein readers may ask—and answer—questions about their credit and collection problems and solve them in the laboratory of practical experience.

Consumer Financial Industry

QUESTION

"What are the most important factors in assessing a loan applicant's ability to repay? We have had a lot of discussion on this at our office."

ANSWERS

L. A. Brumbaugh, President, N.R.C.A., Valley National Bank, Phoenix, Arizona: For an applicant to be able to pay his credit obligations he must have an income which is both adequate and dependable. He has certain normal needs which simple survival requires to be met. Out of his surplus only, whether in savings or income, can debts be paid. Since men's dependency, debts and living standards differ, the ability of each individual to pay must be determined. In making this judgment, the prospective creditor must give consideration to the manner in which the applicant has cared for his past obligations. It is not always true that "as one has done, so he will do" but past performance remains our best evidence of what the debtor will do, in the future. The good credit man will sometimes extend credit in spite of the known facts about the applicant but when doing so, he will know that it is a venture in faith, a calculated risk. His success in so doing is proof that he has learned when to venture in faith.

Babe Cialone, Assistant Vice President, Automobile Finance Department, Merchants National Bank, Fort Smith, Arkansas: We have found that there are three very important factors that are closely related that assist us in assessing a loan applicant's ability to repay. These factors are: One. Job ability. Two. Character, which includes past-paying records, and Three, the individual's ability from the past to the present to live within his income. Although these three factors are very closely related, they provide an excellent background in determining the individual's ability to meet the obligations that he undertakes.

Paul B. Christenbury, Manager, Charge Account Service, The Citizens & Southern National Bank, Augusta, Georgia: An applicant's ability to repay a reasonable request can be best determined by appraising the living standard set by the applicant as compared to his income. Looking beyond loss of job and broken homes which are not easily pre-determined, this matter of over living one's income is our greatest cause for concern. In its earliest stages it is most often undetected by a casual glance at a credit report or previous file as paying records usually remain good until the individual is in real trouble. A close study of a man's credit record to determine what his income is being spent for, the frequency of credit requests and the present level of obligations will give some indication if there is trouble ahead. The general trend is often more important than the applicant's present position.

Dewey D. Godfrey, Second Vice President, N.R.C.A. Bank of Charlotte, Charlotte, North Carolina: In my

opinion the following factors would help considerably in assessing a loan applicant's ability to repay—Previous credit experience; length of employment in present job; applicant's income; other liabilities of applicant and purpose of loan. It would be hard to list the above factors in one, two, three, four, five order, as each, in my opinion, has a direct bearing on the applicant repaying the loan.

John A. Sears, Provident Tradesman Bank & Trust, Philadelphia, Pennsylvania: Credit must be evaluated by using the following: One. Character—Willingness; Two. Capacity—Ability to pay; Three. Capital—Net Worth (enough assets); and four. Collateral—Question: What can I hang my hat on? Some of the important factors to be considered when assessing a loan are: Applicant's ability to repay. One. Purpose—should be constructive, (valid). Two. Income and present obligations vs. amount of loan (maintain a balance). a) Watch for credit drunks. b) Relate present obligation to purpose of loan. c) Would customer be over extended, overloaded? Three. Employment. a) Stability—not seasonal (Question: general stability—does he float? b) Hourly rate or fixed income. c) Be familiar with the employment background—is it strike-prone? (Does it have a lot of labor trouble?) d) Position—does the individual have a position of responsibility? e) Some employments are steady, but some are what a good credit man would consider trade of doubt.—Bar-tenders, cab drivers, contractors, painters, paper hangers, hairdressers, and others too numerous to mention. Four. Past Record—Establish table of repayment. Five. Col-lateral. a) Equity in property. b) Household goods. c) Car. d) Bank account (Savings & Checking). Six. Intangible Assets—Appearance, family background.

The Health Professions Group

QUESTION

"What is your definition of a medical indigent?"

ANSWERS

J. Bilger Bronson, Manager, Credit Services, Rochester Regional Hospital Council, Rochester, New York: A medical indigent, as we see it, is one who is not entitled to welfare care, may have a small income with a large family, or may only be able to do part-time work due to the nature of his illness, but not money enough to pay on a large hospital or doctor bill. There are, of course, many possible interpretations of this type of person and before a financial officer of a hospital can be sure, a thorough investigation is necessary. The possibility that he may own property or may have other concealed assets must be thoroughly investigated.

Paul A. Hayden, Assistant Administrator, Akron Childrens Hospital, Akron, Ohio: A medical indigent is a person that is regularly employed providing the usual food, shelter and clothing for his family. Suddenly he is faced with an unexpected large hospital bill or an extended illness resulting in a prolonged recovery. Because of his limited income, size of family and previous commitments, he is unable to cope with the situation and needs financial

help on the hospital bill. The United Fund in Akron, Ohio, through the Central Hospital Bureau, investigates this type of case and pays the worthy ones on a per diem basis. This agency spends approximately \$250,000 per year to the Akron Hospitals.

Mrs. Jean V. Lansing, Credit Manager, Albany Medical Center Hospital, Albany, New York: My definition of a "medical indigent" is one who is in need of financial assistance in the payment of hospital and/or doctor bills. Such an individual has been able to take care of himself and/or family without financial assistance from a welfare department, for example, but faced with a hospital bill he has no funds with which to pay it nor sufficient income to even arrange a payment plan.

Frank D. Luran, Credit and Collections, Hospital Service Association of Western Pennsylvania, Pittsburgh, Pennsylvania: A medical indigent is that person whose expenses for hospital/medical and/or clinic care represent a financial burden out of proportion to his income and his reasonable expenditures for cost of living. In order properly to determine indigency, the hospital Credit department, or lacking that the Admitting department, should require a complete statement of credit information. The statement should include such details as: One. Rent or mortgage payments, if a mortgage payment, the holder of the contract, the original amount and the current balance; Two. Take-home pay, and number of hours working per week; Three. Any supplemental income such as disability pension due to military service or boarders; Four. Income earned or received by any other person in the household, and the relationship and age of such person or persons; Five. Income from property, such as an apartment or garage. Then the composition of the family unit should be explored as to number of persons in unit, relationship, age, and occupation, e.g. in school, retired, or housewife. As a final step in determining indigency, I always required explicit information concerning outstanding bills or loans. In securing this, it is significant to learn the name of the creditor, location (particularly if a branch), amount of monthly payment, and present balance still outstanding. By evaluating the net income and the gross expenditures against a basic formula for cost of living, it will be possible to see if the patient has any income available to pay the cost of illness—in other words, if he is an indigent. I suggest that the prognosis of the attending physician would be important information, too. If the patient must spend a long period of convalescence with continuous visits to the clinic or the physician's office, the circumstance would complete the financial picture.

Mary Ann Learned, Office Manager, Missouri Baptist Hospital, St. Louis, Missouri: If financial investigation proves a patient's inability to pay the hospital for services, we class them as indigent. This is usually determined at the time of admission or shortly thereafter.

Robert Masterson, Office Manager, Baylor University Medical Center, Dallas, Texas: A summary answer to this could be, "A medical indigent is any person unable to provide himself with adequate medical care. The question of unable versus able would bring out these considerations such as the individual's past, present, and future economic circumstances, his type medical care needed, and history of recent medical expenses."

V. L. Meyer, Business Manager, The Sheboygan Clinic, Sheboygan, Wisconsin: There are two types of medical indigent patients who present themselves for medical care. The first of these is a patient who presents himself for

medical care with no evidence of ability to assume the payment of the obligation which he expects to incur. These include the following: One. The unemployed patient whose age factor or physical handicap rules out the possibility of future employment. Two. A retired or semi-retired patient who has inadequate retirement income but does not qualify for subsistence. Three. A patient who has not established legal local residence in the community. The second type of medical indigent may be classified as a person who is not individually responsible for assuming payment of the fees resulting from medical care which he received, and who is authorized to receive medical care under such programs as county welfare, community public assistance, department of veterans' relief aid, and other authorized agencies. The statutes of states throughout the country are at some variance in their respective assumption of responsibility for welfare patients. Most states, however, do provide eligible assistance for citizens 65 years or older, widows, divorcees with dependents, blind and handicapped persons.

Stephen F. O'Connor, St. Mary's Hospital, East St. Louis, Illinois: This is one of the most misunderstood terms in the hospital field, yet it is one of the most important. It is this patient—if not defined properly—who can throw your accounts receivable picture completely out of line. It is this patient who—if analyzed properly—will show the true picture of the amount of charity provided by the hospital and the true picture of the amount to be charged to bad debt. Simply defined, it is a person gainfully employed earning a salary sufficient to support his family on a budget, but not sufficient for him to support his family and pay hospital and medical bills. It is the patient who falls into this category that is the real reason why the hospitals *must* have credit information, if not at the time of admission, then surely shortly after admission.

Allen J. Perrez, Jr., Administrator, Medina Memorial Hospital, Medina, New York: The definition of indigent can apply to any phase of a person's life and without wasting space, suggest that anyone check with a good dictionary. I would further like to clarify that the use of the terminology "medical indigent" should not be confused with the terminology "pauper", however they might be identical. It is my belief that when medical indigent is used it has an entirely different meaning. My definition of a medical indigent is a person who is in need of medical care but does not have the necessary financial backing for this need, whether it be of an emergent nature or elective. A medical indigent can be a person of good standing but who does not have the availability or immediate ability to financially handle the medical care needed. My further thought and it may be more expressive of the terminology "a medical indigent", is a person temporarily financially embarrassed, which could be by their own means or uncontrollable circumstances. Furthermore they may or may not be eligible for assistance from the various agencies serving the community in which the person is seeking medical assistance.

A. T. Sutherland, Madison General Hospital, Madison, Wisconsin: A medical indigent is a person who has a small income, or is on Social Security, can manage to pay his room, board and clothing, but has no money for medical bills.

John A. Ward, Lovelace Clinic, Albuquerque, New Mexico: There are several categories under which a person could be classified as a medical indigent. First, there is the individual who is physically handicapped to the extent that he is unable to earn a livelihood, as a result, he has

no funds with which to pay for medical care, unless, of course, he has relatives or friends who are able to extend to him some financial aid. Secondly, there is the person who is able to work, but due to unemployment, he has barely enough to pay for the necessities of life. No credit would be extended to him for medical care, as he has no potential with which to pay any obligation. Thirdly, there is the person, who, though employed, has, over a period of time, become so heavily in debt that he would be a very undesirable credit risk. These debts would no doubt include many doctors' and hospital bills. Because of this situation, he would be classified as a medical indigent.

Department and Apparel Stores

QUESTION

A. "How do you notify customers who are over their limit on Revolving Account with a fixed limit?"

B. "Have stores which have gone on Option Terms found that their collection ratio was materially affected?"

ANSWERS

Hattie Belknap, General Credit Manager, Carlisle Allen Company, Ashtabula, Ohio: A. We either call or write to them. If we should get a request of authorization we usually OK the charge and then send them a notice that day telling them we approved the charge and were happy to have the privilege. However, the account is at present overdue and over the limit we agreed upon, and it will be impossible to approve any additional charges until your present account is in a current condition. B. We do not have Optional accounts.

Robert L. Bruchey, The Hecht Company, Baltimore, Maryland: A. The control of limits on Revolving Accounts is probably one of our greatest problems. This is especially true in those stores where Charge-Plate is in use and where the floor release limits are at least \$25.00 or \$30.00. Most of the stores in this category will only authorize about fifteen per cent of all the charge transactions and from this you can readily see the obstacle in controlling overbuying or over-limit. We, like the other stores, endeavor to reach the customer by form letters. If these letters prove unsuccessful we then try to telephone and if the customer continues to buy over the limit we will go to the extreme and have a special man make a personal stop at the customer's home. If this is not successful—well I could go on without reaching an ending. B. We do not have the Option account.

A. J. King, Kennard's, Wilmington, Delaware: A. We notify customers when they are over their limit, either by mail or, if possible, call them to the office when they are making purchases. Usually we write an over-limit letter before doing this, then if the customer pays no attention and continues to buy and ignores our request to keep the account within the limit, then we call them on their next purchase and rearrange the fixed limit, if the account is worthy. B. We do not have option accounts, but have a Flexible Account, which is kept separate from our charge accounts; therefore, we cannot tell the affect on our collection ratio.

H. G. Norman, Credit Sales Manager, Broadway Department Stores, Los Angeles, California: A. Our answer would be that we do not carry a revolving charge type of an account, as our accounts are on the option type payment plan. We would certainly be interested in any answer regarding the method used to notify customers that their account has reached or exceeded a safe limit. B. Our answer would be certainly yes—Our store which for years previously had predominantly regular Thirty-Day Accounts, found that upon switching to the Optional Payment Account that our collection ratio was reduced to less than half of what it had been previously.

W. B. Romney, Zion Co-Operative Mercantile Institution, Salt Lake City, Utah: We converted all 30 day accounts and Revolving Accounts to the Option Plan two years ago. Since then, we have noticed a drop in our collection ratio. This drop in collection percentage was expected. Many of our customers have taken advantage of the extended terms, realizing that they can still maintain a prompt credit record.

Owen M. Jones, Manager of Credit Sales, Washer Bros., Fort Worth, Texas: It is our custom to use one of the two methods; either call the customer direct and suggest they increase their limit in order to take care of their purchase more conveniently—that is, if we can get them without a great deal of trouble. And, while we have them on the telephone, we tell them how much we appreciate their purchases and invite them back. If we are unable to get them by telephone, we use the same approach by letter. However, it has been our experience that our customers appreciate our interest in them by using the direct call. It also affords us the opportunity of explaining that they can—if they prefer—include the amount of the "over-buy" with their next payment or increase their limit.

N. R. C. A. Publications to Serve You Better

Retail Credit Fundamentals, 390 pages	\$5.00
Retail Credit Management, 477 pages	5.00
Important Steps in Retail Credit Operation, 76 pages	1.50
How to Write Good Credit Letters, 128 pages	2.25
Physicians and Dentists Credit and Collection Manual, 64 pages	2.00
Retail Collection Procedure and Effective Collection Letters, 80 pages	2.00
Retail Credit Sales Procedures and Letters, 80 pages	2.00
Hospital Credit and Collection Manual, 68 pages	2.00
Legal Aspects of Credits and Collections, 72 pages	2.50
Human Relations Fundamentals for Retail Credit Employees, 70 pages	2.50
How to Streamline Your Letters, 80 pages	2.50

NATIONAL RETAIL CREDIT ASSOCIATION

375 JACKSON AVENUE

ST. LOUIS 30, MISSOURI

Consumer Credit Outlook

The government may act to force credit terms disclosures in federally insured housing loans. The plan, revealed by the Senate Banking Committee, could result in pressure exerted on merchants for similar disclosures on consumer credit. The Committee, in its report on the Administration housing bill S. 1922, explained that Senator Douglas had questioned the housing officials about credit terms disclosures.

A small experiment with insurance designed to cover the costs of medicines now has branched out to 128 communities in Ontario, Canada. The plan was started by pharmacists in Essex County, Ontario. Adult subscribers pay \$1.90 a month and children 65 cents a month in premiums. There is an additional charge of 35 cents for each prescription filled. Subscribers are entitled to most doctor-prescribed medicines.

Sears, Roebuck & Co. has entered the motor club and travel service fields in a major step to capture the increasing number of dollars that consumers spend on services . . . Allstate Enterprises, Inc., a subsidiary, will handle the new venture outside retailing. The Motor Club operation will be offered through Allstate Insurance Co. . . . the travel service will be sold initially to motor club members and eventually through Sears' selling media.

Dr. George Katona, Survey Research Center, University of Michigan, told a conference in Austin, Texas that families should be given tax credits for capital investments in housing, home improvements, automobiles and major appliances. He advocates that consumers be given tax incentives for consumer investments similar to the tax write-offs that President Kennedy proposes for business.

The F. W. Woolworth Co., has announced

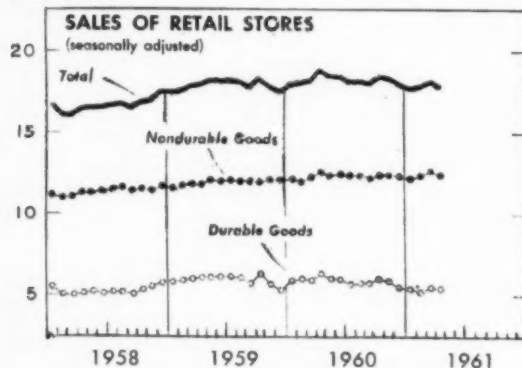
that it will enter the discount department store field. Breaking from its traditional mode of operation, the company plans to operate on a coast-to-coast basis. Most of the stores will be owned and operated by the company itself. In addition to featuring full fashion merchandise, they expect to have such departments as appliances, shoes and other leased departments. Whether the company will operate a credit system was not disclosed. Other companies going to discount store operations include Allied Stores Corporation . . . May Department Stores . . . Alden's . . . Franklin Stores Corporation . . . L. S. Ayres, S. S. Kresge, and General Merchandise Co.

Consumer credit will assume a bigger role in retail ad copy reports Printers' Ink. Why? . . . Consumers confident the recession is over will be less reluctant to take on new obligation . . . retailers are profiting from credit operations. One mail-order firm is reported to have more than half its pre-tax earnings resulting from its credit activity.

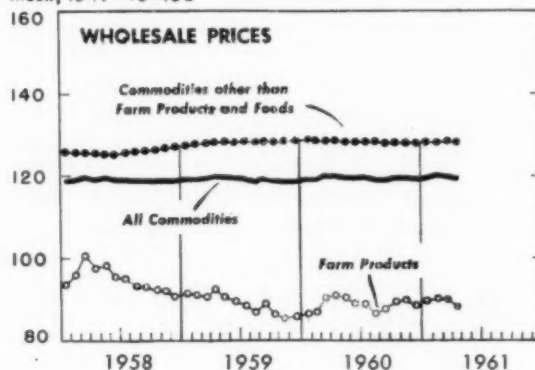
FTC Chairman Paul Rand Dixon stated that his agency will use a publicity technique to halt deceptive advertising practices. The thinking behind the technique is that many false advertising campaigns cannot be halted by legal proceedings until the campaign is ended, the dirty work done, and the consumer taken. By publicizing staff reports based on investigations into broad areas of deception, the agency can get the information needed to the public in the soonest possible time. The technique was first used against the firms submitting identical bids on government contracts.

The Keogh Bill, H. R. 10, "The Self-Employed Individuals Retirement Act" grants to the self-employed tax advantages similar to those enjoyed by corporations. In

Billion Dollars



Index, 1947-49=100



brief, says American Retail Federation, it permits a self-employed person to set up a tax-free retirement plan for himself and his employees by treating himself as an employee for purposes of the plan. The bill has many other important features.

The Office of Business Economics, U. S. Department of Commerce, reports that more than 45 per cent of the Nation's families and unattached individuals had incomes of over \$6000 in 1960. An estimated 17 per cent of the units had incomes of \$10,000 or more. Slightly under 13 per cent of the families and unattached individuals had incomes below \$2000. The average (mean) family income before taxes was estimated at about \$6,900, a gain of \$300 per consumer unit over 1959. Personal income in April was at a seasonally adjusted annual rate of \$410.5 billion . . . up \$500 million over March, 1961 and \$4 billion higher than the February, 1960 figure.

Montreal, Canada Stock Exchange investors can now buy up to \$1,000 worth of stock on the instalment plan . . . 20 per cent down and eight months to pay the balance.

Administration economists predict a gross national product of around \$545 billion by mid-1962 . . . unemployment will continue high . . . consumer spending power will be \$12 to \$15 billion higher than 1960.

Richard Wagner, President, Chamber of Commerce of the United States, launched an educational campaign to alert the public to the threat of inflation posed by the Administration's legislative proposals. Said President Wagner, "Bear in mind that inflation is not just an academic concept. When it hits, it will adversely affect the value of your dollar, your costs of production, and the purchasing power of your customers and employees. Unless the people soon recognize and speak out against plans which drain the value out of their pen-

sions, insurance and savings in order to finance vast new federal spending programs, there can be a disaster on the home front."

The U. S. Census Bureau indicates that a vast shift in colored population has taken place during the last ten years. In 1950 approximately 70 per cent lived in the South . . . today . . . 58 per cent.

Senator Hubert Humphrey introduced the first fair trade bill into the 87th Congress under the name of the "Fair Competitive Practices Act" (Senate Bill 1722). The bill would permit manufacturers to impose minimum resale prices on national brand-name merchandise by notice to their distributors.

Diners' Club announced that they had signed an agreement to purchase from Dashew Business Machines, Inc. an electronic imprinter to be distributed to most of the Diners' Club more than 65,000 charge establishments. Dashew will manufacture plastic credit cards to replace the paper cards used by the 1,200,000 members.

Secretary of State Lloyd L. Simpkins has reported twelve firms and organizations to the Attorney General for failure to comply with State lobbying laws. They were represented at the 1961 session of the Maryland Legislature by agents or counsel and did not file financial reports as required by law. They are subject to fines of \$100 to \$1,000 if prosecuted and convicted.

Secretary of Commerce Hodge is trying to formulate a modern code of ethics for business. Twenty-six businessmen, teachers, editors and others have agreed to take on the job of drafting the code.

Senator Estes Kefauver is shaping legislation aimed at corporate executives who acquiesce in or have knowledge of antitrust violations by subordinates but do nothing.

Changes in Department Store Sales and Accounts Receivable

April, 1961	Percentage change from:	
	Month ago	Year ago
Sales during month: Total	-11	-17
Cash	-12	-17
Charge	-13	-19
Instalment	-4	-10
Accounts receivable, end of month:		
Charge	-1	-4
Instalment	-2	+2

Collection Ratios and Percentage Distribution of Sales

Item	Apr. 1961	Mar. 1961	Apr. 1960
Collection ratios ¹ : Charge accounts	44	49	44
Instalment accounts	14	16	15
Percentage distribution of sales:			
Cash	43	42	43
Charge	42	43	43
Instalment	15	15	14

¹Collections during month as a percentage of accounts receivable at beginning of month.

Short- and Intermediate-Term Consumer Credit Outstanding (Estimates, in millions of dollars)

Type of Credit	April 30, 1961	Increase or decrease (-) during:		
		April		Year ended Apr. 30, 1961
		Unadj.	Seas. Adj.	
Instalment credit, total	41,988	-70	-139	1,337
Automobile paper	17,200	-65	-145	30
Other consumer goods paper	10,585	-94	-41	304
Repair and modernization loans	2,922	0	1	108
Personal loans	11,281	89	46	895
Noninstalment credit, total ¹	11,984	136	-104	282
Single-payment loans	4,402	-15	-15	176
Charge accounts ¹	4,096	92	-113	-149
Service credit	3,486	59	24	255
Total consumer credit ¹	53,972	66	-243	1,619

¹Includes amounts outstanding on service station and miscellaneous credit-card accounts and home-heating oil accounts, which totaled \$430 million on April 30, 1961.

The legislation would amend the Sherman Antitrust Act which, in its present form, provides for penalties only against those who actually participate in schemes to rig prices, allocate markets, or otherwise violate the law.

Wage-Hour Administrator Clarence Lundquist assured retail industry representatives that his department would not lose time working up rules and regulations under the amended Wage-Hour Act. By mid-June he hopes to distribute highlights of the new act to employers and unions as initial guidance. Interpretative bulletins and specific rules will follow. The law will become effective September 3 and will be extended to 2.1 million retail employees.

Business expense account scrutiny will soon result in definite limitations being established by the Treasury Department. Suggested amounts . . . Food and drink: \$7 a day per person . . . Gifts: \$10 tops . . . Business trips: \$30 per day maximum for meals and lodging. Country clubs: no deductions . . . Yachts and hunting lodges: no deductions . . . Night clubs, theaters: no deductions. Keep accurate records and supporting data to substantiate all expenditures.

Secretary of the Treasury Douglas Dillon gave special emphasis to plans to withhold

Consumer Instalment Credit, by Holder and Type of Credit
(Estimated amounts outstanding, in millions of dollars)

Type of credit and institution	April 30, 1961	Increase or decrease (-) during:		
		April 1961	April 1960	Year ended Apr. 30, 1961
Total	41,988	- 70	631	1,337
Commercial banks	16,776	- 84	271	1,065
Sales finance companies	10,733	- 54	247	129
Credit unions ¹	3,937	40	90	466
Consumer finance companies ¹	4,133	2	51	261
Other financial institutions	1,855	- 12	8	82
Retail outlets ²	4,554	38	- 36	- 666
Automobile paper	17,200	- 65	344	30
Commercial banks	7,842	- 7	170	163
Sales finance companies	7,245	- 69	131	- 293
Other financial institutions	1,625	14	34	168
Automobile dealers	488	- 3	9	- 8
Other consumer goods paper	10,585	- 94	89	304
Commercial banks	3,278	-131	7	616
Sales finance companies	2,405	3	108	309
Other financial institutions	836	- 7	19	37
Department stores ²	1,527	85	- 48	- 523
Furniture stores	1,077	- 15	- 9	- 58
Household appliance stores	269	- 5	- 4	- 21
Other retail outlets	1,193	- 24	16	- 56
Repair and modernization loans³	2,922	0	31	108
Commercial banks	2,090	3	22	45
Sales finance companies	67	1	3	25
Other financial institutions	765	- 4	6	38
Personal loans	11,281	89	167	895
Commercial banks	3,566	51	72	241
Sales finance companies	1,016	11	5	88
Other financial institutions	6,699	27	90	566

¹Estimates of loans at credit unions and consumer finance companies by type of credit are included with figures for other financial institutions.

²Figures by type of retail outlet are shown below under the relevant types of credit.

³Includes mail-order houses.

⁴The face amount of outstanding FHA Title I loans at the end of April is reported by the Federal Housing Administration to be \$1,865 million, of which an estimated \$1,582 million is for consumer purposes and is included in the above.

taxes on interest and dividend in a testimony before the House Ways and Means Committee. He recommended a flat 20 per cent withholding rate be applied to dividends and interest. Said Dillon "The system would not impose any substantial burden. The withholding agent would be asked to withhold a simple flat rate basis without exemptions and he would not be required to prepare withholding statements to be sent to recipients. Remittance to the IRS of amounts withheld would be by lump sum, without requiring the listing of individual payees as is required under wage withholding."

A new book "Buy Now . . . Pay Later" by Hillel Black was reviewed in the June CREDIT WORLD. Mr. Black attended the 46th International Consumer Credit Conference in Chicago and talked with many conferees. The foreword is written by Senator Paul Douglas. Mr. Black reveals a new type of entrepreneur . . . the debt merchant. Although the book is a treatment of the "evils of credit", Brentano's in advertising the book states "You'll find the answers to all these questions in Buy Now, Pay Later. Of course, with the right credit credentials you can use this method in purchase of this book. Whether it's Charge or Cash on the Line, it's worth every penny of the \$3.95."

Consumer Instalment Credit Extended and Repaid, and Changes in Credit Outstanding
(In millions of dollars)

	Total	Auto-mobile paper	Other consumer goods paper	Repair and modernization loans	Personal loans
Without seasonal adjustment					
Credit extended					
1961-April	3,765	1,247	1,053	151	1,314
March	3,995	1,330	1,125	150	1,390
1960-April	4,509	1,692	1,202	179	1,436
Credit repaid					
1961-April	3,835	1,312	1,147	151	1,225
March	4,201	1,448	1,239	163	1,351
1960-April	3,878	1,348	1,113	148	1,269
Seasonally adjusted¹					
Credit extended					
1961-April	3,883	1,243	1,145	157	1,338
March	4,002	1,288	1,212	159	1,343
1960-April	4,499	1,636	1,266	182	1,415
Credit repaid					
1961-April	4,022	1,388	1,186	156	1,292
March	3,954	1,353	1,163	158	1,280
1960-April	3,935	1,379	1,111	150	1,295
Increase or decrease (-) in outstanding credit, seasonally adjusted²					
1961-April	-139	-145	-41	1	46
March	48	- 65	49	1	63
1st qtr. mo. av.	- 88	-129	7	-10	44
1960-4th qtr. mo. av.	126	32	34	- 1	61
3rd qtr. mo. av.	179	38	10	20	111
2nd qtr. mo. av.	429	187	104	33	105
1st qtr. mo. av.	409	183	98	23	105

¹Includes adjustment for differences in trading days.

²Seasonally adjusted changes in outstandings derived by subtracting credit repaid from credit extended.

NOTE:—Estimates of instalment credit extended and repaid are based on information from accounting records of retail outlets and financial institutions and include finance, insurance, and other charges covered by the instalment contract. Renewals and refinancing of loans, repurchases or resales of instalment paper, and certain other transactions may increase the amount of both credit extended and credit repaid without adding to the amount of credit outstanding.

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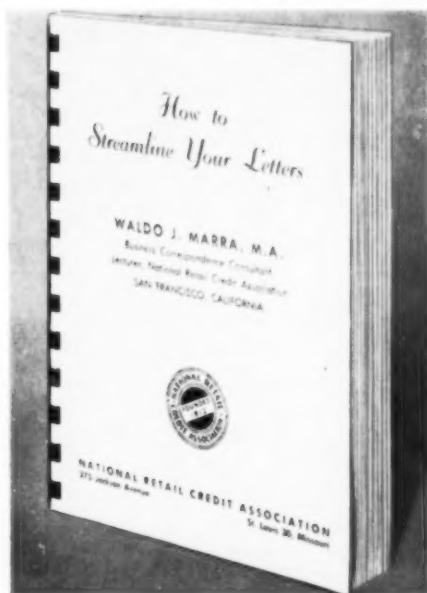
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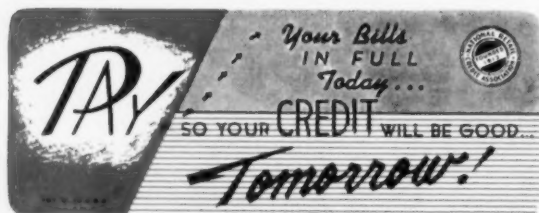
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